



JPRS Report

East Asia

Southeast Asia

DTIC QUALITY INSPECTED 2

DISTRIBUTION STATEMENT A

**Approved for public release;
Distribution Unlimited**

**REPRODUCED BY
U.S. DEPARTMENT OF COMMERCE
NATIONAL TECHNICAL
INFORMATION SERVICE
SPRINGFIELD, VA 22161**

19980512 119

East Asia

Southeast Asia

JPRS-SEA-91-019

CONTENTS

12 August 1991

CAMBODIA

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

Sihanouk Soldiers Reportedly Transporting Weapons [BAN MUANG 15 Apr]	1
Khmer Rouge Soldier Caught Smuggling Weapons [BAN MUANG 30 Apr]	1
Khmer Rouge Tax Foreign Gemstone Miners [MATICHON 30 Apr]	1

STATE OF CAMBODIA

Thai Bank on Economic Developments [DAO SIAM 13 Apr]	2
Chan Prasith Comments on Cambodian Peace Process [SIAM RAT 4 Jun]	2

LAOS

Champassak Official Seeks Foreign Investment [DAO SIAM 20 May]	4
Forest Conservation Plans, Problems [DAO SIAM 26 May]	4

PHILIPPINES

Senate Passes New National, Local Election Law [DIYARYO FILIPINO 5 Jun]	6
Senator Requests Court Ruling on Oil Price Cut [DIYARYO FILIPINO 2 Jun]	6

THAILAND

POLITICAL

U.S. Influence on Foreign Ministry Criticized [DAILY NEWS 5 Jun]	7
Paper Cites Lao Border Kidnapping [THAI RAT 29 May]	7
Paper Seeks Cambodia Weapons Supply Halt [SIAM RAT 9 May]	8
Khukrit Comments on Cambodia Talks [SIAM RAT 5 Jun]	8
Trat Governor Comments on Relations With Cambodian Province [BANGKOK POST 4 Jun]	9
Malaysian Political Parties Cited in Southern Unrest [SIAM RAT 13 May]	9
Anan Posits Indochina ASEAN Membership [LAK THAI 3-9 Jun]	9
NPKC Coup Compared to Coup 15 Years Ago [NAEO NA 4 Jun]	10
Little Progress Seen on NPKC, Promises Lbat [SIAM RAT SAPDA WICHAN 2-8 Jun]	10
Opinion Leaders Comment on Indochina Issues	10
U.N. Aid Cut Announced [BAN MUANG 28 Apr]	10
Editorial Views Policy Toward Cambodia [SIAM RAT 29 Apr]	11
U. S. Policy on Vietnam Criticized [DAILY NEWS 25 Apr]	11
Sources Discuss Military Support for Chawalit [LAK THAI 27 May]	12
Chawalit's Relations With Suchinda, Sunthon [LAK THAI 6-12 May]	12
Split Reported in Chawalit Party [BAN MUANG 28 May]	14
Background Data on Pro-Military Party Formation [SIAM RAT SAPDA WICHAN 12-18 May]	14
Class 7 Colonel Plans New Political Party [KHAO PHISET 13-19 May]	16
Strategy for Pro-Military Party Discussed [NAEO NA 29 Apr]	16
Thiti Nakhonthap Background, Military Ties Described [THE NATION 5 May]	18
Paper Views Fisheries Issues [BAN MUANG 28 May]	20

MILITARY

PRC-Built Frigate's Weapons Guidance System [NAEO NA 29 May]	20
Paper Notes Malaysia Fisheries Problems [BAN MUANG 14 May]	20
General Chainarong Nunphakdi Career, Prospects Profiled [LAK THAI 29 Apr-5 May]	21
Prospective Navy Chief Assessed [LAK THAI 27 May-2 Jun]	21

ECONOMIC

Columnist on Amaret Approach to IPR, U.S. Trade	<i>[BAN MUANG 17 May]</i>	22
Finance Minister Concerned Over Japanese Loans	<i>[THE NATION 3 May]</i>	23
Ambassador to PRC Comments on Investments	<i>[DAILY NEWS 13 Apr]</i>	24
BOI Backs Factory Relocations to Vietnam	<i>[BANGKOK POST 26 Apr]</i>	24
Manufacturer Plans SRV Factory	<i>[BANGKOK POST 22 May]</i>	25
Oranut on Trade Strategy for Latin America	<i>[THAI RAT 28 May]</i>	25
Siam Commercial Allowed To Operate in Cambodia	<i>[MATICHON 6 Jun]</i>	25
Burma Gas Project Planning Continues	<i>[SIAM RAT 13 Apr]</i>	25
Paper Urges Oil Deals with Neighbors	<i>[THAI RAT 27 May]</i>	26
Policy Makers Continue Comments on IPR, Trade Issues		26
Amaret, Minister on Policy Stands	<i>[SIAM RAT 15 May]</i>	26
Amaret Discusses Attitudes on Politics	<i>[DAO SIAM 15 May]</i>	27
Agriculture Minister, Party Official View Drug Patents	<i>[SIAM RAT 17 May]</i>	28
Further Comment on IPR Enforcement	<i>[NAEO NA 23 May]</i>	28
PERMSEC Kroekkrai on 301 Action	<i>[SIAM RAT 24 May]</i>	29
Police Discuss Property Rights Enforcement	<i>[BAN MUANG 6 Jun]</i>	29
Writer Comments on Copyright Issues, Article 301	<i>[KHAO PHISET 6-12 May]</i>	30
EC Trade, Ex-Im Bank Issues Discussed	<i>[MATICHON 19 Apr]</i>	31
Finance Minister Worried Over Private Sector External Debt	<i>[THE NATION 3 May]</i>	31

VIETNAM

POLITICAL

Congresses Discuss Party Building Work	<i>[NHAN DAN 24 May]</i>	32
----------------------------------------	--------------------------	----

ECONOMIC

Conference Held on Party Work at State Enterprises	<i>[NHAN DAN 12 Jun]</i>	34
Official on Sudden Increase in Exchange Rate	<i>[SAIGON GIAI PHONG 8 Jun]</i>	36
Problems To Overcome in Economic Management	<i>[SAIGON GIAI PHONG 25 May]</i>	38
Governor on Renovation in Banking Activities	<i>[SAIGON GIAI PHONG 21 May]</i>	39

SOCIAL

Articles on Subversive Influences From Abroad	<i>[QUAN DOI NHAN DAN 3, 17 May]</i>	41
Increased Ideological Work Needed		41
Increase Vigilance Against Enemy		42

BIOGRAPHIC

Information on Personalities	<i>[SAIGON GIAI PHONG, etc. Mar-Jun]</i>	43
------------------------------	------------------------------------------	----

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

Sihanouk Soldiers Reportedly Transporting Weapons

91SE0264A Bangkok *BAN MUANG* in *Thai* 15 Apr 91
pp 1, 16

[Excerpts] [passage omitted] At 0430 hours on 14 April, Police Colonel Uthai Nimsamoe, the superintendent in Surin Province, received a report from an agent stating that a shipment of war weapons was going to be smuggled out of Cambodia and sold to dealers at a point between Ban Ampli and Ban Run, Group 1, Bak Dai Subdistrict, Kap Choeng District, Surin Province. [passage omitted] Officials saw about 10 Cambodia merchants carrying war weapons. [passage omitted]

Another team of police pursued and arrested three Cambodian merchants and seized five AK rifles, four M-16 rifles, two 60-mm mortars, two machine guns, one AAA gun, and 25 RPG rounds.

The three Cambodian merchants were identified as Mr. Riep Khon, age 35, Mr On Sumon, age 25, and Mr Khun San, age 18. All three said that they were Sihanouk soldiers with the 23d Thamoroi Division. They said that they did not know where these weapons came from. They said that they had each been paid 1,000 baht to transport the weapons. [passage omitted]

Khmer Rouge Soldier Caught Smuggling Weapons

91SE0264B Bangkok *BAN MUANG* in *Thai* 30 Apr 91
pp 1, 20

[Excerpts] At 1400 hours on 29 April 1991 at the Suppression Division, Police Major General Rungrot Yamakakun, deputy commissioner of the Central Investigation Bureau and acting commander of the Suppression Division, talked with reporters about the seizure of a large number of weapons of war. [passage omitted]

At 1300 hours on 28 April, Suppression Division officials [passage omitted] arrested an arms smuggler. He was arrested in a forest area in the Saraphi mountains near Village 3, Thap Phrik Subdistrict, Aranyaprathet District, Prachinburi Province. Officials arrested a Khmer Rouge soldier without resistance. He was identified as Mr. Sot Chua, age 17. The other two smugglers who were with him managed to escape. Weapons that were seized included an AK rifle, 347 AK rounds, an AK ammunition clip, 20 M-16 rounds, 12 RPG rounds, three RPG explosives, two recoilless rifle rounds, 57 recoilless rifle 82 rounds, 58 bags of recoilless rifle powder, 25 60-mm mortar shells, 18 60-mm mortar explosive heads, and seven boxes of 60-mm mortar gunpowder for a total of 12 items.

The police took the suspect and evidence to the Suppression Division for further handling. The suspect was charged with possession of unauthorized weapons and ammunition. During the interrogation, Mr. Sot said that he has been hired to transport the weapons from the Ban Kapu Camp in Cambodia. The camp commander was Mr. Ngol, his uncle. He was taking the weapons to a Thai

merchant, who was going to sell them to minority groups and Karen along Thailand's northern border. He said that he had made 27 previous trips and that he was paid 3,000 baht per trip.

As for the price of these weapons, each recoilless rifle round sells for 500 baht and each RPG round sells for 300 baht. As for his own background, Mr. Sot said that he served as a Khmer Rouge soldier at the camp commanded by his uncle, Mr. Ngol. He said that he had been a Pol Pot soldier ever since he was 9 years years old. He is now 17. He said that he is very experienced in the use of various weapons including Ak and M-16 rifles and RPGs.

Khmer Rouge Tax Foreign Gemstone Miners

91SE0264C Bangkok *MATICHON* in *Thai* 30 Apr 91
pp 1, 22

[Excerpts] A MATICHON reporter on the Thai-Cambodian border in Bo Rai District, Trat Province reported that since the beginning of April, there have been fierce clashes between Khmer Rouge and Heng Samrin forces in several places on the Cambodian side of the border, particularly in Battambang Province. As a result, shells have fallen in Pailin Province where more than 30 gem mines are in operation. As a result, several thousand Thais who had gone there to mine gemstones have been returning to Thailand every day. In particular, large numbers have fled to Ban Mun Dan in Bo Rai District, which is an important transit point for these miners.

The report stated that the route between Ban Mun Dan to the gem mines on Khao Phechon in Pailin Province in Cambodia is a very difficult trail approximately 40 km long and accessible only by foot. Khmer Rouge soldiers have stipulated that miners from Thailand must use a trail that is only 50 centimeters wide. They are forbidden from leaving that path because mines have been placed in the area and if someone was careless, he could step on a mine and be killed. Thus, everyone must be very careful. It takes about 12 hours to reach Khao Phet.

The report stated that there is also a trail to the gem mines through Pong Nam Ron District in Chanthaburi Province. About 10,000 people use this route. They enter Cambodia through the Ban Phak Kat checkpoint in Pong Nam Ron Subdistrict in Pong Nam Ron District and then have to walk another 18 km inside Cambodia.

But regardless of which route they use, those who go there to mine gemstones have to pay a large fee. For example, if they want to stay 10 days, they have to pay the Khmer Rouge soldiers 1,500 baht. If they stay longer, they must pay 100 baht for every three days. Those who invest in gemstone mining, most of whom are merchants and businessmen from Chanthaburi and Trat Province, have to pay the Khmer Rouge rent of at least 6 million baht per rai, and they have to pay the Khmer Rouge a share of the profits earned from selling the gemstones. [passage omitted]

The report stated that Burmese workers along the border in Kanchanaburi Province cross the border into Thailand at the Three Pagodas Pass. Certain policemen provide trucks

to transport 10-15 people at a time, collecting 500 baht from each of these Burmese workers. They are transported to Chanthaburi City. There, they contact mine owners, who charge another 10,000 baht to work in the mines. Officials once arrested a gang that was smuggling Burmese workers, but people continue to engage in such smuggling activities.

In Mae Sot District where it is relatively easy for Burmese to enter Thailand, there is a large gang involved in sending workers to Cambodia. Besides smuggling workers, this gang also buys weapons from the Khmer Rouge and employs the Burmese workers to transport the weapons back to Burma.

The report stated that the Burmese workers from Mae Sot use the bus that runs between Mae Sot and Bo Rai. The bus leaves Mae Sot at 0500 hours and passes through Tak and Kamphaengphet provinces. It stops at Nakhon Sawan Province and then goes on to Bangkok, passing by Rangsit. It goes through Lak Si to Chachoengsao Province and then goes to Klaeng District in Rayong Province. It then travels to Chanthaburi Province and then to Bo Rai District, in Trat Province, arriving at approximately 2400 hours. From there, the workers are taken to Pailin Province. There is only one bus that makes this trip daily. Each day about 150 Burmese workers are crowded into this bus. The bus leaves Bo Rai at 0500 hours for the return trip and, following the same route, reaches Mae Sot District around midnight.

The report stated that in the past, some of these Burmese workers were arrested. Recently however, officials have tended to ignore them. As a result, more and more Burmese are openly entering the country. On the return trip, they carry weapons. The weapons, which have been dismantled, are packed in their bags and loaded onto the bus. When the bus passes a checkpoint, officials rarely make an inspection because it is too difficult and the bus is packed with people and so they allow the bus to proceed. [passage omitted]

STATE OF CAMBODIA

Thai Bank on Economic Developments

91SE0263A Bangkok DAO SIAM in Thai 13 Apr 91 p 3

[Text] The Department of Economic Research, Thai Farmers Bank, reported that during the past two years, Cambodia, led by the Hun Sen government, has quickly improved its economy, including the agricultural sector, in which more than 80 percent of the Cambodian people are employed. It has reformed the land ownership system to allow farmers to own and pass on their land to their children. They can also sell their produce freely. As a result, the number of agricultural products has increased. On the industrial front, two private foreign companies have signed contracts to build economic infrastructural projects. The two companies are the Overseas Telecommunications Commissions International Company of Australia and the Cambodia Trust Company, which is composed of a group of English companies that are building a telecommunications and telephone system in the country.

The volume of trade between Thailand and Cambodia during the past two years has increased rapidly. During the first 11 months of 1990, the value of trade totaled 291.7 million baht compared with only 91.7 million in 1989. That represents an increase of 537 percent. As for that value of trade during the first 11 months of 1990, Thailand exported goods worth 21.6 million baht and imported goods worth 270.1 million baht. But these figures are much lower than the actual figures, because large quantities of goods were smuggled across the border between our two countries. Thailand imports mainly scrap metal, timber, animal hides, and fish. Exports to Cambodia include fans, rice, printed materials, and consumer goods.

Chan Prasith Comments on Cambodian Peace Process

91SE0299A Bangkok SIAM RAT in Thai 4 Jun 91 p 2

[Column by Chaiwat Yonpiam]

[Excerpt] [passage omitted] Mr. Chan Prasith, an assistant minister in the Office of the Prime Minister of Cambodia, said in an Asia-Pacific Seminar that his side would like the general elections which were to be held in Cambodia to be a contest between just two political parties. One party would represent the Phnom Penh side and the other would represent the United Cambodian Resistance Forces.

He indicated that the reason there should be only one party for the Cambodian resistance was that these united forces worked together against the government in Phnom Penh. The three groups should therefore be together in one party. In addition, Phnom Penh would like to agree with those who said that Prince Sihanouk had been blemished by his working with the Khmer Rouge.

The Asia-Pacific seminar was held in Bangkok. It ended on Friday last week.

At the seminar, Mr. Chan Prasith confirmed the various objections raised by Phnom Penh to the peace plan. They appeared to be the same as the proposals put forward by Phnom Penh for correcting the UN peace plan at the meeting of the four Cambodian factions in Jakarta which opened last Sunday.

He said that his group was very upset about the genocide which had occurred in Cambodia when the Khmer Rouge controlled the country from 1975 to 1978. His group insisted that there be definite measures taken to prevent these events from happening again as there was a danger that they could because of loopholes in the UN plan adopted by a Security Council resolution last November.

Phnom Penh objected that the UN peace plan did not specify that the political and military organization of the Khmer Rouge would be abolished and that all kinds of aid would cease. The UN peace plan also did not specify that the parties or candidates would have to announce their opposition to genocide.

Mr. Chan Prasith said that his group did not want to block the Khmer Rouge from politics but that the Khmer Rouge would not be able to operate under the name, "Democratic Cambodia."

In response to questions concerning military forces he said that Phnom Penh would recommend that the military of each faction organize a new unit of at least 100 armed men to be stationed outside the range of artillery.

The maintenance of these permanent forces, Phnom Penh claimed, would be a measure which could be taken to prevent the return to power of the Khmer Rouge.

In addition Mr. Chan Prasith said that Phnom Penh wanted to know how large the future role of the United Nations would be and that it would not infringe on Cambodian sovereignty.

He said in summary that the first issue to be considered in producing a peace agreement would be the benefits to the Cambodian people and not just the benefits to accrue other countries involved. The agreement reached would have to prevent the Khmer Rouge from returning to power and would have to give the Cambodian people the right to make decisions on their own. [passage omitted]

Champassak Official Seeks Foreign Investment

91SE0311A Bangkok DAO SIAM in Thai 20 May 91 pp 1, 8

[Excerpt] [passage omitted] Mr. Mani, the vice-chairman of the administrative committee of the municipal area of Champassak Province in the LPDR [Lao People's Democratic Republic], said in an interview given to reporters at the Thai information office in Ubon Ratchathani Province recently that Laos was trying to revive its economy quickly because they realized that it was very weak. Laos had been at war for 30 years, and the country had suffered a great deal of damage.

The economic revival required Thai cooperation. Laos had adopted a law concerning foreign investment to attract foreign investors to invest in Laos, especially in agriculture. Laos hoped there would be a great deal of investment in animal husbandry such as raising cattle for milk and beef. At present Laos has to import milk in large quantities.

In addition the vice-chairman said that Laos wanted to send specialists to study and develop the well-known types of coffee grown in the Champassak municipality such as arabika coffee, which came from France. This type had not reproduced as well as it should have.

He said that Laos wanted Thai investors to invest in medicine production in Laos because many Lao people were being killed by counterfeit medicine which was being smuggled in. If medicine production facilities could be set up in Laos it would help improve the health of the Lao people. If there were no such investment in medicine production, Laos would like to be able to buy directly from Thai governmental units or reliable private organizations. Laos was also having a problem with amphetamines or stimulants, which were an important cause of accidents and affected people's health.

He said that another type of investment which would help revive the Lao economy a great deal would be investment in tourism especially in the Champassak municipality, which was the third largest in Laos. It was said that if someone visited Laos and did not go to the Champassak municipality, it was like not visiting Laos because in Champassak there were many beautiful tourist areas and pristine natural areas which had not been destroyed such as at Liph where there was a waterfall 15 km wide. This has been called the "Engkara of Asia." In addition there were tourist facilities at Pak Chong. Lao officials would like there to be joint ventures to set up small resorts for tourists which blended in with the natural surroundings without destroying the environment. If this were accomplished there would be a public relations effort to encourage tourists to visit.

"The government has given the green light for these various investments in Laos, but joint ventures will depend on an agreement between the two countries." He said that some Thai had come to invest in Laos to set up rattan factories and distilleries.

Forest Conservation Plans, Problems

91WN0565A Bangkok DAO SIAM in Thai 26 May 91 p 3

[Article by Thai Farmers' Bank Specialists]

[Excerpts] [passage omitted] It is felt that Laos has the most abundant forests in the world. It has a forested area of about 70 million rai [a rai equals about 0.4 of an acre] which is 47 percent of the total area of the country. The forested area is primarily in the central region and the South.

The forests are a natural resource which is very important for the Lao economy because wood is a good which has always earned substantial hard currency for Laos. The income from wood exports provides about 40 percent of all export income. The important export markets for Lao wood and wood products are Thailand, Taiwan, Japan and South Korea. [passage omitted]

At present, the forested area of Laos is being reduced at the alarming rate of about 1.25 million rai per year. If the destruction of Lao forests maintains this pace, there will be only 38.75 million rai of forest left in the year 2000 or 26 percent of the total area of Laos. This would be close to percentage of forested area in Thailand now, which is about 28 percent.

The causes of this rapid destruction of Lao forest can be summarized as follows:

1. Shifting agriculture. There are 253,000 Lao families living in the mountains and plains who still farm the traditional way by cutting and burning the forest in order to prepare or enlarge fields for agriculture. After these fields have been cultivated for two to three seasons, they are abandoned, and more forest is cleared. There is about 1.88 million rai of such agricultural land. This shifting agriculture is the primary cause of forest destruction - about 625,000 rai per year.

2. Cutting timber for export. The demand for foreign exchange and foreign consumer goods has caused Laos to increase its wood exports rapidly in the last two to three years. The quantity of wood cut has been at the high level of around 350,000 to 450,000 cubic meters per year. Of this about 30 to 40 percent is exported. In addition wood is illegally cut for export. In the South it is estimated that 100,000 to 150,000 cubic meters of illegal wood are exported per year.

3. Forest fires. These occur in the dry season and are caused both by the burning of fields and forests to prepare for cultivation of crops and by natural causes.

The Lao Government is very concerned about the problem of forest destruction and has demanded that the forests be protected. It has forbidden that wood be cut for export and has ended its reliance on income from the wood trade. Lao officials have set up a forest conservation service, and there are projects to plant more trees in order to increase the forested area so that by the year 2000 it will equal the forested area of 1950 which was 106.25 million rai or 70 percent of the country. This area will be divided into a

conservation area of 59.38 million rai, a wild animal reserve of 15.63 million rai and a commercial forest area of 31.25 million rai which the people could exploit.

These projects to conserve and bring back the forests will require a great deal of money. The project to conserve the forests, the Tropical Forest Action Plan or TFAP, will require U.S.\$230 million. Of this U.S.\$120 million would be used to end shifting agriculture. Because Laos is poor and lacks these investment funds, it will have to request foreign assistance for forest conservation. At present there are some reforestation projects; these have received assistance from the United Nations Development Program (UNDP) and the European Community (EC). But it is still doubtful that Laos will be able to conserve much of its forests because it will have to rely on foreign assistance which is generally limited.

In addition future projects to build giant dams will be serious obstacles to Lao forest conservation because dam construction destroys a great deal of forest. For example the Pha Mong 210 dam has a reservoir which covers 609 square km or 380,625 rai. The Nam Thoen 2 dam has a reservoir which covers 156,250 rai, which might be doubled in the future. In addition to these two dams the Lao Government has projects to build many other large dams. These projects were generally developed by the Mekong Basin Development Commission of the United Nations, such as the project for the Nam Ngum 2 Dam.

When the Lao Government adopted the policy of preserving the forests, it had an effect on Thai merchants involved in the timber trade with Laos inasmuch as the Lao Government raised the export duty on wood many

times. The Lao policy on wood exports has not been clear. Starting around the end of 1988 the Lao Government prohibited the export of many types of wood. Then Lao officials rescinded this order at the beginning of 1989 but raised the export duties and permitted only processed wood to be exported. Since then the Lao Government has raised the export duties many times. These high export duties have caused Thailand to reduce wood imports from Laos, and this has affected the income of Laos. As a result Laos has raised or lowered the export duty or the price of the exported wood regularly to maintain its export income.

Whether the Lao policy of conserving its forests is successful or not will depend on foreign assistance funds. In addition Lao economic development policies will have to be in agreement with the forest conservation projects because Laos still needs a great deal of hard currency to develop the country and it has only one way to get large amounts of hard currency: by exchanging Lao natural resources for hard currency. At present it has only wood and electric power from hydroelectric dams to earn large amounts of money, but these two exports both affect Lao forests.

The policy to develop the Lao economy by building dams to make money from electric power generation, and the necessity of cutting and processing wood for export income may mean that the project to conserve and bring back the Lao forests will not reach its goal: the forested area will not increase to 70 percent of the total area of the country from the present 47 percent by the year 2000. At present the Lao Government is standing at a crossroads. Whatever it decides it should decide on the basis of the best interests of the country.

Senate Passes New National, Local Election Law
91SE0284A Manila DIYARYO FILIPINO in Tagalog
5 Jun 91 p 2

[Article by E.R.]

[Text] Yesterday, the Senate approved a law for the national and local election in 1992.

The provisions of Senate Bill 1777 run as follows:

The election for the president, the vice-president, the 24 senators and all member candidates of the Lower Assembly will be held on the second Monday of May, 1992.

The election for all the local government officials will be held on the second Monday of November, 1992.

According to the law, the first 12 senators with the highest number of votes will hold office for six years. Likewise the elected president and vice-president will hold office for the same number of years.

All the other senators not included among the first 12 will hold office for three years.

All the elected House members and local officials will hold office for three years, as provided by law. Their tenure of office will begin on 30 June following their election.

However, the law also provides that the incumbent local government officials will continue holding office until such time when their replacements will have been elected.

Moreover, the law provides that the president, vice-president, and the senators will be limited to only two terms in office.

Furthermore, the law provides that House members and local government officials will be limited to only three terms in office.

In order to lessen the large number of elected positions, which is the number one problem in every election, the election, therefore, of specific, particular member candidates of the provincial council, the city council, and the town council will be held only in specific, particular districts, accordingly.

In addition, the new law stipulates that the president, the vice-president and the senators can start campaigning 90 days before the election.

Likewise, House members and local government candidates can campaign for only 60 days, and municipal candidates can campaign for only 45 days.

Finally, the law prohibits the presidential, vice-presidential, senatorial, and congressional candidates from proclaiming their candidacies until 180 days before the election.

Senator Requests Court Ruling on Oil Price Cut
91SE0284B Manila DIYARYO FILIPINO in Tagalog
2 Jun 91 pp 1, 2

[Article reported by Ernest Reyes and Rey Domingo]

[Text] Senator John Osmena petitioned the Supreme Court (SC) to roll back the oil price to its former level of December, 1990.

Likewise, Osmena questioned the legality of the payment by the Office of Energy Affairs (OEA), through the Pil Price Stabilization Fund (OPSF), to the oil companies in order to lessen their losses.

The Senator said, "The OEA must stop paying the oil companies through the OPSF."

Osmena also requested the Supreme Court to investigate the books of the oil companies in the country in order to determine the true financial condition of these oil companies.

If Osmena's petition is granted, a more than 5,277 billion peso payment from the OPSF will be rendered null and void, and the subsidy deficit will be terminated.

Osmena also criticized Malacanang for its policy of letting the oil companies make OPSF their "milking cow."

Osmena also emphasizes that President Aquino has no right to use the OPSF for the benefit of the oil companies.

The legislator from Cebu further emphasizes that "only congress can give President Aquino the authority to do this."

Osmena stated that the primary cause of the oil price increase is the fact that the oil companies take funds from the OPSF to lessen their losses when world oil prices increase, and they cannot raise the oil price in the nation accordingly.

Osmena added, "Presidential Decree (PD) 1956 does not state that the oil companies can procure funds from the OPSF if they incur losses."

PD 1956, issued by the last regime, established the OPSF to function as a special subsidy to stop the price of petroleum (oil) products from rising."

Meanwhile, yesterday the militant May First Movement (KMU) members insisted that the oil price must be rolled back because the conference communiques of the Organization of Petroleum Exporting Countries (OPEC) no longer hold such importance.

On the other hand, President Aquino announced that the results of the OPEC conference must first be taken into account before any decision on lowering petroleum product prices will be made.

According to Crispin Beltran, head of the movement, the continuous downturn of oil prices in the world market is of much greater significance (as a basis for lowering the oil price in the nation).

Beltran said, "The falling oil price, now at only \$16 a barrel, necessitates a corresponding rollback of the oil price here."

Beltran confirmed that strikes and other protest actions will continue until the promise of the President to roll back the price of petroleum products will finally be implemented.

POLITICAL

U.S. Influence on Foreign Ministry Criticized

91SE0292B Bangkok DAILY NEWS in Thai 5 Jun 91

p 2

[Column by Trairat Suthonpraphat]

[Excerpts] Thailand is developing rapidly on all fronts. But what is very clear is that the Ministry of Foreign Affairs has changed very little. It is still very attached to its old ways. It continues to do things just as it did in the past. It refuses to change along with the changes taking place in the world. The bureaucracy continues to dominate things.

The young men of the Ban Phitsanulok group under former Prime Minister Chatchai Chunhawan viewed the Ministry of Foreign Affairs with disdain and set certain policies by themselves. Take Indochina, for example. They became involved in the Cambodian and Lao issues on their own.

The Ministry of Foreign Affairs has always followed the lead of the United States closely. The diplomats and officials in this ministry have constantly been directed by American officials. They have had to serve them as if they were being paid by Washington. Look at the regulations for hiring people to work for the ministry. In the past, the Americans were treated like lords. Anyone who advocated trading and establishing relations with communist Europe, the Soviet Union, or China was viewed as siding with the Communists and had no hope of working for the foreign affairs ministry.

Instead of having diplomats who have studied in several countries such as India, China, Hong Kong, the Arab countries, the Soviet Union, Europe, the United States, France, Spain, Italy, Germany, and Japan, about 70-80 percent of our diplomats are graduates of American schools, with the remaining 20-30 percent having attended school in England or France. Very few have studied anywhere else. (Those who have graduated from a Thai school have been trained in the American and English style.) [passage omitted]

Those type of diplomats are very "neat," like folded clothing. But today's diplomats have to be able to keep up with the world. They have to be clever and go wherever necessary. American diplomats, for example, are constantly going here and there. Their diplomats seem to be well-trained in the techniques of the CIA. They are willing to do anything if they can derive benefit from it. If they cannot do something themselves, they have large numbers of subordinates who can do it for them. I am sure that the embassies on Withayu Road or Sathon Tai Road know all of Thailand's secrets. They have penetrated everything. It's a pity to see the Ministry of Foreign Affairs pressured on all fronts. It is hemmed in on all sides.

The policies of the Ministry of Foreign Affairs are set by conservatives. The ministry is also pressured by the military, the National Security Council, and by certain politicians. Clearly, the ministry is not independent and certainly cannot stand on its own feet.

Most foreign affairs officials have studied abroad on scholarships or are graduates of well-known universities both here and abroad. After graduation, they joined the bureaucracy and attached themselves to a superior. They don't take risks and won't make decisions. Their first thought is how to protect themselves and rise to higher positions. Thus, their feet really are not on the ground. They don't really understand the basic problems.

Abroad, they come in contact only with senior people. They don't come in contact with or get to know the ordinary people there. Sometimes, they don't understand the real situation in that country. Thus, their reports about various matters tend to be inaccurate. [passage omitted]

In the past, our diplomats frequently sent inaccurate reports about what was happening in Iraq and Iran. They didn't understand and didn't know what was happening because they did not try to know the people there. They looked down on them. They did not view them as friends. They viewed them from a Western standpoint. They despised the Arabs. When Khomeyni staged the revolution in Iran, in line with Western reports, they reported that Khomeyni would not be able to survive. Their understanding was superficial because they could not speak the language and did not know anything about the culture, customs, or religion. And they could not gain their trust.

At that time, the policy of Thailand's Ministry of Foreign Affairs closely followed the tail of the United States and the West. [passage omitted]

Paper Cites Lao Border Kidnapping

91SE0312A Bangkok THAI RAT in Thai 29 May 91 p 3

[Editorial: "Epidemic Along the Mekong"]

[Excerpt] [passage omitted] Today, all along the Mekong River, which forms the border between Thailand and Laos, there are several places in Laos just across the border from Thailand where Thais are lured across the border and then kidnaped and held for ransom. Some of these Thais have been held by Lao officials. But instead of pressing charges against them, they have held them in jail in order to demand ransom money. Lao villagers have also seized Thais for the same reason, that is, to demand ransom money.

This is affecting Thais who live along the Mekong River, regardless of whether they have relatives or close friends across the border. Cross-border travel by people who live along the border, which used to be relatively easy, is now something about which they must be very careful, particularly in remote areas far from the larger cities. The method used by these evil Lao is to invite Thais to travel on the Lao side of the border or to come eat and drink with them. Almost certainly, those who cross the border don't have a passport or a travel permit.

After they cross the border, they can't return. Lao police officials, who are thought to be involved in this, immediately arrest them and demand a ransom of 2,000-10,000 baht. This happens quite frequently all along the border from Nong Khai to Mukdahan. The largest number of

cases has happened in Khammouan Province opposite Nakhon Phanom Province. Even though the amount of ransom demanded is not a large sum, for the people who live in remote areas along the border, this is a very serious matter.

We would like to warn the Thais who live along the border and ask the governments of both countries to work together to solve this problem. If this is allowed to continue, it could become a major problem. This should not be allowed to happen.

Paper Seeks Cambodia Weapons Supply Halt

91SE0312E Bangkok SIAM RAT in Thai 9 May 91 p 3

[Editorial: "Cambodia—Heart of the Ceasefire"]

[Text] [Passage omitted] Providing weapons support to the various Cambodian factions has been an outside policy since the time of the Cold War, when there was a fierce struggle for influence in this region. Today, the situation has changed fundamentally. But the policy that has caused Cambodians to fight has not changed at all. A UN peace plan aimed at solving the Cambodia problem has been formulated by the five permanent members on the UN Security Council. Each of these countries has gained and lost from sending weapons to the various factions. In particular, if the Soviet Union, China, and the United States want to act in accord with the principles on bringing about peace that they have talked about in the United Nations, they should revise their policies in accord with principles expressed in this peace plan.

The Cambodia problem is a very tiresome problem. The root of this stems from the moves made by the allies of the various Cambodian factions. Unless they revise their policies on providing military support, the UN military delegation that has gone there to observe things probably won't be allowed to see what is really happening. The various factions will just feed it propaganda, which means that nothing will be achieved.

Khukrit Comments on Cambodia Talks

91SE0292A Bangkok SIAM RAT in Thai 5 Jun 91 p 5

[From the 'Soi Suan Phlu' column by Khukrit Pramot]

[Excerpts] [passage omitted] The three Cambodian factions, that is the factions of Prince Sihanouk and Mr. Son Sann, and the faction of Khieu Samphan, or the Khmer Rouge, have agreed to negotiate with the other faction, that is, the Hun Sen government. [passage omitted] Why do they have to go to Paris? I don't understand. They can reach an agreement anywhere. They could, for example, reach an agreement in Jakarta. Why do they have to go to Paris, the capital of their former master?

That meeting got underway three days ago, and there are indications that the negotiation will fail and that nothing useful will be achieved. When the meeting first began, Prince Sihanouk and Mr. Hun Sen, the prime minister of the Phnom Penh Government, held a private meeting, the details of which I do not know, and agreed to form a

supreme council, as proposed by the United Nations, to govern Cambodia and hold a national election. After a national election has been held and a democratic government formed, this supreme council will be disbanded.

This council will have to have a president. The question is, who will serve as council president? All factions admit that Prince Sihanouk can serve as president, because he is respected by people in all factions, or to be more accurate, by people throughout Cambodia.

During those private talks, it was agreed that Prince Sihanouk will serve as president of the supreme council, and Mr. Hun Sen, the prime minister of the Phnom Penh government, will serve as vice president. When people heard about this, the feeling was that the talks in Jakarta would achieve results and lead to top-level talks in Paris. They thought that the factions would be able to reach an agreement that would bring peace, democracy, and neutrality to Cambodia.

But things did not turn out that way. On hearing that Prince Sihanouk had reached an agreement with Mr. Hun Sen, the Khmer Rouge asked, "And what about the Khmer Rouge?"

No one has been able to answer this question. During the time that the Khmer Rouge controlled Cambodia, they killed so many people that the vultures all left Thailand to feed on the corpses in Cambodia. Thus, there is no one who likes or trusts the Khmer Rouge. If there is any chance of preventing the Khmer Rouge from playing a part in governing Cambodia, the other factions will all do their best to do that.

However, the Khmer Rouge is one of the factions in Cambodia, and it seems that they are the strongest faction militarily. If the Khmer Rouge becomes upset about something, the present cease-fire in Cambodia certainly won't last very long, because the Khmer Rouge will be the faction to break the cease-fire. And if real fighting breaks out, the Khmer Rouge might win the war and again seize control of Cambodia. That is totally unacceptable because none of the other factions wants the Khmer Rouge to return to power.

Prince Sihanouk told reporters that the Khmer Rouge have informed him that they do not agree with the agreement on the appointment of president and vice president to the supreme council. In view of this, it seems likely that the negotiations between the four Cambodian factions in Jakarta will collapse. Because they cannot even reach an agreement on the top level positions, there really isn't any reason to continue the talks.

In short, it looks as if the Sihanouk, Son Sann, and Khmer Rouge factions, which have been united for several years in the struggle against the Hun Sen government in Phnom Penh, which they view as a puppet government controlled by Vietnam, are going to split up after working together for so many years.

Actually, the only reason the Cambodian coalition that opposes the Hun Sen government has any strength and

power is because of the Khmer Rouge. If the Khmer Rouge breaks away, the words of the other two factions will certainly not carry as much weight.

Trat Governor Comments on Relations With Cambodian Province

91SE0294A Bangkok *BANGKOK POST* in English
4 Jun 91 p 19

[Excerpt] Trat is set to become Thailand's gateway to Cambodia following the rapid increase of Thais and foreigners moving from Trat to Cambodia in recent years.

The province has experienced a tourism and trade boom because of Cambodia's policies to be more open in external trade and to welcome tourists.

Trat Governor Amorn Anantachai said about 1,500 Thais entered Cambodia from Trat's two border checkpoints each day to engage in trade and precious stone mining in Muang Petch of Cambodia.

He said both countries' policies to tighten trade and tourism relations had greatly benefited both sides.

"The Cambodian side earns a minimum of one million baht a day from the 800-baht entrance fee, excluding the concession fee earned from gem mining operators and others, while Thai traders get good-quality gemstones, timber and rattan to supply the manufacturing sector in the country," he said.

Cambodia's Koh Kong has proved a popular place for Thais and foreigners, with an average of 600 people on weekdays and 1,600-2,000 people during weekends leaving Trat for this destination, where there is a large supply of goods exported from Singapore, including cigarettes and whisky.

Mr Amorn said Koh Kong also was the most popular and cheapest way to travel into Cambodia as Chan Siam Co travel agency had been successfully bringing tourists to Koh Kong and then flying them by helicopter to Phnom Penh.

"More foreigners are coming to Trat to relax on islands of the province and then enter Cambodia and visit Angkor Wat," he said.

With such conditions, the province plans two small airports in the near future, the first to be built in Tambon Koktawan in Muang District and the other planned for Kood Island.

Mr Amorn said Bangkok Airways president Prasert Prasartthongosoth had expressed interest in joining the plan and the provincial authority would soon propose that the airline invest in the planned Kood Island airport.

Proposal

He said a proposal was submitted to the National Security Council to combine roads linking Trat and Cambodia to further boost trade and tourism between the two countries.

Both Thailand and Cambodia have roads that meet in the border point near Khlong Yai, but they are incomplete.

If the plan comes to fruition, transport to and from the two countries will be greatly enhanced. [Passage omitted]

Malaysian Political Parties Cited in Southern Unrest

91SE0312D Bangkok *SIAM RAT* in Thai 3 May 91 p 5

[Editorial: "Malaysia Should Be Asked To Help Solve the Problem Another Way"]

[Excerpts] [passage omitted] The separatist terrorist problem caused by political groups that rely on religious disputes has still not been solved. This is still a problem in the southern provinces. The 4th Army Region has reported that separatist groups are still carrying on activities. These groups are living just across the border in Malaysia. They use Malaysian territory as a base for political and military operations. Today, the 4th Army Region, which is commanded by Lieutenant General Kitti Rattanachaya, is trying to persuade the approximately 150 Muslim separatists to surrender and become participants in the development of Thailand. That is, they will be granted amnesty. They will be given an opportunity to work and be given land so that they can become good citizens again and live peacefully in Thai society. They will have the same rights and responsibilities as Thais in general. The commander of the 4th Army Region has invited the separatists to send representatives to hold talks on laying down their arms. But to date, no progress has been reported. [passage omitted]

The reason why the separatists in southern Thailand are still able to carry on terrorist activities and spread their ideals is that Malaysia is secretly providing them with support and urging Thai Muslims to rise up and wage a struggle to separate Yala, Pattani, Narathiwat, and Satun provinces from Thailand. In doing this, they have used the conflict between Thai Muslims and Thai officials as a fuse. [passage omitted]

We feel that now that steps have been taken to solve the separatist problem, the number of people who are ready to sacrifice themselves for this ideal has declined greatly. Moreover, people are exhausted. The reason why this movement has not ended completely is that some political parties in Malaysia are providing support. Thailand should negotiate with the Malaysian government. Malaysia should negotiate with Thailand as a friend and as someone who once helped them, with the result that the Malaysian Communist Party, or Chinese bandits, disbanded.

Anan Posits Indochina ASEAN Membership

91SE0290C Bangkok *LAK THAI* in Thai 3-9 Jun 91
pp 4, 5

[Excerpt] In a statement to reporters during his trip to Malaysia, Mr. Anan Panyanchun, the prime minister, said that if Laos, Vietnam, Cambodia, and Burma reorganized their economic systems to make them open in accordance with the world situation, he feels that the six ASEAN countries, whose goal is to cooperate economically, will

allow these four countries to become members. At present, both Thailand and Malaysia agree on this. [passage omitted]

NPKC Coup Compared to Coup 15 Years Ago

91SE0291B Bangkok NAEON in Thai 4 Jun 91 p 4

[Editorial: "Take a Look at History"]

[Excerpts] Those who are older probably remember the coup that was staged in Thailand about 15 years ago. [passage omitted]

At that time, the Administrative Reform Council announced that it intended to implement a true democratic system in Thailand and took steps to assure people that it did not intend to keep power in the hands of the council. It appointed a prime minister and cabinet, most of whom were civilians. [passage omitted]

The "empty shell" government, or civilian government [of Thanin Kraiwichian], governed Thailand for only about a year before certain people in the Administrative Reform Council, including cabinet ministers, staged another coup, as if they were seizing power from themselves. They claimed that the civilian government did not have the ability to lead the country toward a more peaceful and prosperous future. [passage omitted]

Looking back at what happened at that time gives cause for concern about the present situation. The coup staged by the National Peacekeeping Council, or NPKC, is very similar to the coup staged 15 years ago. The national peacekeeping group is a member of the NPKC. The people whom the NPKC appointed to form a government are mostly civilians. But there are more soldiers in this government than in the empty shell government. There are now reports about conflicts between military and civilian ministers. This cannot be denied. Thus, people in general are afraid that history will repeat itself. [passage omitted]

Little Progress Seen on NPKC, Promises Lbat

91SE0290A Bangkok SIAM RAT SAPDA WICHAN in Thai 2-8 Jun 91 p 2

[Editorial: "Three Months After the Coup"]

[Excerpts] Regarding the debate on the topic "Three Months After the Coup" that was held at Thammasat University last week, the views of those who attended can be summarized by saying that neither the National Peacekeeping Council [NPKC] nor the government, which is responsible for governing the country, have done anything to solve the problems. [passage omitted]

Those participating in the debate discussed problems cited by the NPKC as the reason for using force to seize power from the Chatchai government. Even though some of the issues do not affect the people directly, there are many issues in which the people are interested. This includes the attempted assassination of members of the royal family. This is considered to be a very important issue. But during these past three months, no progress has been made in solving this problem. It was also announced that the assets

of 25 politicians and former ministers would be seized. It was only recently announced however, that the investigation showed that only four former ministers were unusually wealthy. It has not been possible to confirm if they gained their wealth illegally. [passage omitted]

We are in complete disagreement with the government's claim that it must take action or formulate administrative plans and lines in order to facilitate things for the next government. The present government is just a provisional government. The new elected government will announce its own policies and make promises to the people. How can this administration know what the next government's policies will be? The policies of that government may not be in line with those of this provisional government, which is an appointed government. [passage omitted]

Opinion Leaders Comment on Indochina Issues

U.N. Aid Cut Announced

91SE0261A Bangkok BAN MUANG in Thai
28 Apr 91 p 5

[Column by Ta Mo Lo]

[Excerpts] The UN Border Relief Organization has announced that it will reduce the amount of aid given to the Cambodian refugees living along the Thai border effective 1 May 1991. This will be done to prevent the aid from falling into the hands of the Khmer Rouge forces. [passage omitted]

But the "scapegoat" is Thailand. Because if the Cambodian refugees are given less aid, they will start committing more crimes. It is the Thai people who will suffer. Cambodia is already very poor. Cambodians are already committing robberies along the border, and this situation will only worsen.

The country behind the move to reduce the amount of aid is the United States. They think that reducing the amount of aid given to Cambodian refugees will force the four Cambodian factions to hold peace talks. But that view is completely wrong, because the Khmer Rouge and other Cambodian factions have never given any thought to the lives of the Cambodian refugees. The leaders of the four Cambodian factions have never given any thought to the people of the country as a whole.

Thais know the minds of the Cambodians, because we have lived together in the past. Reducing the aid given these people would be a terrible mistake on the part of the United Nations and the United States. It will not achieve the desired result. Large numbers of Cambodian refugees will die. [passage omitted]

Of the four Cambodian factions, the image of the Phnom Penh faction has been improving constantly. The opposite is true for the Cambodian coalition headed by Prince Sihanouk. This is because the Phnom Penh government is the most trustworthy government and has received the most attention from other countries. The governments of several large countries have dealings with the Phnom Penh

government. They are in frequent contact and foreign governments have agreed to aid the Phnom Penh faction on various fronts and cooperate on the trade front. Even the United States, which does not like the Phnom Penh government, has begun giving humanitarian aid by providing fuel, food, fertilizer, and medicines worth \$20 million.

I can begin to see a statesman. I would not be surprised if the governments of various countries recognized the Phnom Penh Government and gave Cambodia's seat in the United Nations to the Phnom Penh Government. [passage omitted]

Editorial Views Policy Toward Cambodia
91SE0261B Bangkok SIAM RAT in Thai 29 Apr 91 p 8

[Editorial: "Thai Position on Cambodia"]

[Excerpts] [passage omitted] Mr. Hun Sen probably wants to see what the Thai government's attitude is toward the Cambodia problem and the Phnom Penh government and determine if its attitude is different from that of the Chatchai administration. Concerning this, Mr. Asa Sarasin, the minister of foreign affairs, has informed Mr. Hun Sen that Thailand hopes that the various Cambodian factions will be able to reach an agreement before the meeting in Jakarta. [passage omitted]

As for how this concerns Thailand, besides the fact that Thailand will have to bear the burden of looking after the large number of Cambodian refugees along the border and take steps to solve this problem, it wants there to be a lasting peace in this region. That is why we have became so deeply involved in the effort to solve the Cambodia problem. Because of this, Thailand was criticized as being a political tool of the West in solving the Cambodia problem, and as being a country that could not stand on its own feet. When Thailand's attitude changed and we began talking with the Phnom Penh government during the Chatchai administration, a new atmosphere developed in the negotiations and we began to stand on our own feet. But the problem is, the various Cambodian factions have not been able to reach an agreement.

We feel that the present government should maintain the current attitude unless this hurts the country. We must adhere to the principle that Cambodia must solve its own problems. As a close neighbor, we can only provide support in bringing about peace. We should not become involved too deeply, because that would be a waste of time. And that could hurt our interests.

U. S. Policy on Vietnam Criticized

91SE0261C Bangkok DAILY NEWS in Thai
25 Apr 91 p 2

[Column by Trairat Sunthonpraphat: "From Friend and Enemy"]

[Excerpts] The United States is again jumping into Indochina. It jumped at the opportunity to build up its reputation in Iraq and erase its old image stemming from its defeat in

the Vietnam War. The United States is planning to increase its influence in Indochina without consideration for others. They are not concerned whether this will cause problems for others or how this will affect others.

The United States has announced the establishment of a liaison office in Vietnam. Officials will be stationed in Hanoi. During the negotiations between General John Vessy and Nguyen Co Thach, the Vietnamese minister of foreign affairs, the two sides managed to reach an agreement. They issued a joint statement saying that they hoped to establish relations and solve the immediate problems. The United States claimed that the MIA issue forced it to hold talks with Vietnam.

But objections have been raised to the action taken by the United States, particularly by the Khmer Rouge and the other Cambodian factions that are fighting the Heng Samrin faction, which is supported by Vietnam.

ASEAN is probably unhappy with the actions taken by Washington because it wants to end the Cambodian war before the United States moves closer to Vietnam. It wants the United States to help put pressure on Vietnam. But now that the United States is stepping up its contact with Vietnam, it will be difficult to get Vietnam to put pressure on Heng Samrin to stop the fighting.

The game in Cambodia is becoming more and more complex because of U.S. interference. And the United States undoubtedly has something in mind in launching this new offensive in Vietnam, because it is taking such quick action that not even its allies in this region know what it is up to.

The United States is probably trying to draw Vietnam, Laos, and Cambodia away from the influence of both the Soviet Union and China and return to Indochina, which used to be close to the West. American businessmen are hoping to go to Vietnam and increase trade. Northwest Airlines will fly charter flights to Vietnam for American businessmen and tourists.

The United States may be trying to atone for what it did in Vietnam. It may want to atone for its "sins" there. Thus, it may want to help the Vietnamese people. It may try to persuade Hanoi to give Cambodia its freedom and not become tied up with the problems there. Instead, the United States should concentrate on developing the economy. It should stop spending so much money on the military, which is what Vietnam has done in the past. As a result, the country and the people are very poor. The United States would then give aid as in the past. [passage omitted]

As for the issue of U.S. military bases in the Philippines and the issue of the United States taking action against countries such as Japan and Thailand that enjoy a large trade surplus, it seems as if the United States really does not care about countries such as Thailand that have been close allies. It is exerting pressure and doing whatever it wants. It is exploiting us on all fronts. What is worse, it is thinking of using Article 301 to put pressure on Thailand

on trade matters during the next six to seven months if the negotiations are not finished.

With respect to Thailand, the United States has turned from being a friend to being an enemy. But it is trying to improve relations with Vietnam, its old enemy. It is appropriate that they have encountered a leader like Saddam Husayn.

Sources Discuss Military Support for Chawalit

91SE0290D Bangkok LAK THAI in Thai
27 May 91-2 Jun 91 pp 20, 21

[Excerpts] [passage omitted] Air Chief Marshal [ACM] Kaset Rotchananin, or Big Te, the RTAF CINC [Royal Thai Air force Commander in Chief], was interviewed in Chiang Rai Province on the afternoon of 22 May. He said that in his opinion, the RTA CINC [Royal Thai Army Commander in Chief] should be appointed supreme commander because the Army is the largest branch and things have been done that way in the past. However, Air Chief Marshal Kaset said that this depends on whether the supreme commander will discuss things and submit proposals to the minister of defense. He added that his name has not been submitted, which means that Big Te supports Big Su. [passage omitted]

Since LAK THAI reported ACM Kaset's comments on political matters in our last issue, Big Te has expanded on his remarks for this issue.

Besides his remarks about the position of supreme commander, which caused reporters to talk to Admiral Praphat Krutsanachan in order to obtain additional information, he also talked about the matter of General Suchinda becoming supreme commander, with someone else appointed RTA CINC. That could be General Isaraphong Nunphakdi, Big Tui. Or Big Su could serve concurrently as both RTA CINC and supreme commander.

ACM Kaset also spoke about several other matters, including the National Peacekeeping Council [NPKC], which staged a coup and seized power from General Chatchai Chunhawan three months ago on 23 February. On 22 May, just one day short of three full months since the coup, ACM Kaset said that the NPKC has scored several clear achievements in the time that it has been in power. "We held real power for just four to five days, that is, before a prime minister and government were appointed. After a government was appointed, we withdrew from running things. We have been able to solve several problems by issuing announcements and orders. Everything is done very carefully. People can't say that the NPKC hasn't scored achievements. We have done many things. Important things. Take the assets investigation for example. Isn't that an important issue? Wasn't that an achievement? Now we are not doing things on our own. The government is doing the work. Things are up to the government. We were involved only during the first few days after the coup. How can people say that nothing has been achieved!"

When asked if any ideas will be submitted to the government or if any plans have been made for this period, such as Gen. Suchinda's idea of promulgating an Anticorruption Act, ACM Kaset said that he personally doesn't have any plans, but he does have some ideas on solving the problems that have arisen. "I don't have any plans. I am ready to do anything necessary."

ACM Kaset spoke about the reports that ministers will be forbidden from buying and selling stock. He said that that would be difficult. "We could forbid that, but we couldn't enforce that because their relatives and subordinates could just buy stock on their behalf. That wouldn't do any good, because we couldn't enforce it."

Big Te denied having any political plans. But what he will do after he retires in 1993 is uncertain. For the present his path is quite clear as far as politics is concerned.

Squadron Leader Thiti Nakhonsap, who is a member of Air Force Academy Class 3 and who once served under ACM Kaset, has formed a political party. Some of the party members are people who have split away from the Thai Nation and Solidarity parties. The name of the party is the "Samakkhitham," which has been criticized for being similar to the name of a temple. This party has definitely been formed. Mr. Phinit Chantharasurin, the former deputy minister of interior and an MP [Member of Parliament] from Lampang, announced that he and another seven to eight former Solidarity Party MPs were going to split away from the Solidarity Party in order to form a party named the "Samakkhitham Party" and that they would ask Mr. Narong Wongwan, the leader of the Solidarity Party, to become the leader of this party.

Mr. Phinit said that this party is composed of soldiers, policemen, and civilians. If it has an opportunity to form a government, the party leader will be considered first for the position of prime minister. But if that is not possible, it will have to ask an "outsider" to serve as prime minister.

A news source of ours said that the Samakkhitham Party had been an ally of the New Aspiration Party and supported Gen. Chawalit Yongchaiyut. Later on this became a political matter. This matched what Big Te once said: "We fully support Gen. Chawalit as the next prime minister."

A political source said that this party, whose name resembles that of a temple, is also supported by former MPs from the Ruam Thai Party, MPs who have split away from the Solidarity Party, and some MPs from the Ratsadon, Thai Nation, and Social Action parties. The Samakkhitham Party is composed of former MPs from four parties. It is a "gathering place" for old politicians from one party. It seems likely that Buntheng Thongsawat will leave the Solidarity Party and become an adviser to this party. [passage omitted]

Chawalit's Relations With Suchinda, Sunthon

91SE0291A Bangkok LAK THAI in Thai
6-12 May 91 pp 17-19

[Excerpts] There had been much talk about a military party. And there was talk about an Army party being

formed by Major General Khasem Kraisan, who is stationed at Army Headquarters, and an Air Force party being formed by former Squadron Leader Thiti Nakhonsap. Finally, General Suchinda Khraprayun clearly stated that he had no intention of playing politics and that he did not want to become prime minister. He said that if Maj. Gen. Khasem wants to play politics or form a political party, that was his affair. [passage omitted]

The matter that has been in the news so much these last two weeks has turned out to be a personal matter. In particular, this has involved Maj. Gen. Khasem Kraisan. The reports stated that he was assembling politicians and looking for backers to support Gen. Suchinda Khraprayun.

Some people feel that it is General Chawalit Yongchaiyut, the leader of the New Aspiration Party, who has been troubled the most by all of this. If a (new) military party is formed, that would greatly damage the political fortunes of Gen. Chawalit. Gen. Chawalit once issued a statement that showed that he considered this to be a problem and that quick action had to be taken before it became a real problem. Others however, viewed it as a "pre-emptive strike" launched by Squadron Leader Prasong Sunsiri, an important member of the New Aspiration Party.

Gen. Chawalit Yongchaiyut later said: "I don't believe that Suchinda feels like that. But when the time comes, if he has to do something, don't criticize him. We can't criticize him. If he has to do something, then he must do that. There may be reasons that will compel him to do something. But he must act properly. If he doesn't do things properly, I will have to tell him not to do that because it would be harmful. But I don't think that that will happen." That was Gen. Chawalit's response when a reporter asked him about people forming a party to support Gen. Suchinda Khraprayun for the position of prime minister.

A source of ours who is a senior military officer said that this matter has now died down. There is no military party of any branch of service. That was just a political maneuver. People may have done it with good intentions toward the country or they may have been trying to help themselves or their party. "Soldiers can't keep up with them. Politicians are always ahead of us. Sometimes, they trick us and lead us into a trap."

Now attention is again focused on the New Aspiration Party of Gen. Chawalit Yongchaiyut. But no one knows for sure what will happen, especially after National Peace Keeping Council [NPKC] Order No. 20 is rescinded. That order forbids the political parties from engaging in activities. Once the political parties can engage in activities again and martial law is lifted (there are some areas where it is still in effect in the interests of our national security and sovereignty), politics will heat up. At the same time, "the military, parliament, and the NPKC will have to remain calm. We can't get excited like them. We must remain calm," said a senior officer who is a member of the NPKC to LAK THAI. He said that that is how he views the political future and that preparations have been made. [passage omitted]

A source of ours said that Gen. Sunthon Khongsomphong will not play politics. But he is involved in politics and has been for a long time. Recently, Gen. Chawalit Yongchaiyut expressed opposition to certain policies implemented by Gen. Sunthon and the NPKC. Our source said that Gen. Chawalit expressed those views with good intentions toward his friends. He does not want the NPKC's game to be long and drawn out. Whatever must be done must be done quickly. Another thing is that Gen. Chawalit would not do anything to hurt Gen. Sunthon, whom he has referred to as a very close friend.

"Gen. Chawalit would not let Gen. Sunthon 'go down' in these political storms," said our source. "But some people think that there is a problem. Those people who think that there is a problem are people who don't know how close Gen. Chawalit and Gen. Sunthon really are."

Our source said that Gen. Sunthon and Gen. Chawalit have been very close ever since they attended CRMA [Chulachomklao Royal Military Academy] together as members of Class 1. And Gen. Sunthon told LAK THAI that "Chiu and I are like one person. Even though we don't see each other very often, we are still very close. There is no friction between us. Why is there so much talk about this when there are other matters that need to be discussed?"

Our source said that relations between Gen. Chawalit and other senior officers in the NPKC are very good. When Gen. Chawalit entered the King Mongkut's Hospital, Gen. Sunthon, Gen. Suchinda, Admiral Praphat Krutsanachan, Air Chief Marshal Kaset Rotchananin, General Isaraphong Nunphakdi, and a number of other high-ranking officers in the NPKC went to visit him at the hospital.

"When they went to visit him, if they had allowed the press to cover that story, there wouldn't be so many stories about conflicts between them. It's too bad that that story wasn't printed. That was considered to be a personal matter and was kept secret," said the source.

Gen. Chawalit and Gen. Sunthon can speak frankly with each other. Our source said that before Gen. Chawalit publicly urged the NPKC to draft a constitution quickly and hold elections soon, he had discussed matters in depth with Gen. Sunthon.

"Today, George [Gen. Sunthon] is like a knight on a white horse. He has come forward to help solve the country's problems. Politics had become very corrupt. People agreed that something had to be done. But those who get on a white horse will have to dismount sometime. They shouldn't ride the horse too long, because that white horse will turn into a zebra. And it won't be very long before it turns into a tiger. George will then have to dismount from a tiger. It would be better to dismount while it is still a white horse."

This is the title of this article, "Mount a Horse, But Don't Dismount from a Tiger." These words give a clear picture of Gen. Sunthon and Gen. Chawalit.

Split Reported in Chawalit Party

91SE0312F Bangkok *BAN MUANG* in Thai 28 May 91 pp 1, 3

[Excerpt] [passage omitted] A report from Songkhla Province stated that members of the southern faction of the New Aspiration Party have split into two groups. It seems likely that this split will worsen to the point where it will be impossible "to reach a compromise."

The report stated that this split stems from the fact that the Southern Teachers Federation has close relations with General Chawalit Yongchayut. Gen. Chawalit gave the federation 1 million baht to carry on political activities, and he promised the federation that in fielding candidates in the south, he would allow the party branch committee there to select the candidates and not give power to a particular person.

But in carrying on activities, the federation was overlooked. The old power group refused to listen to the federation's views. The federation proposed having Mr. Thiap Churuang, a member of the federation's board, run for MP from Songkhla Province. Instead, the old power group proposed the names of seven of its people to run for election in Songkhla.

The report stated that the conflict between these two groups has reached the point where the old power group has recommended dismissing Mr. Sawai Na Phattalung from his position as deputy head of the southern branch of the party. Mr. Phichai Sisai, the deputy head of the Teachers Federation has admitted that there is a conflict. Several groups are trying to solve the problem so that the situation does not become worse. "We should be able to solve the problem, because all sides have the same goal."

Mr. Bunchuai Thongsi, the secretary general of the Teachers Federation, said that if the promise made by Gen. Chawalit to the federation is not kept, the federation will withdraw its support from the New Aspiration Party. The federation will soon hold a meeting at the Teachers Association residence in Hat Yai District in order to discuss what has happened. [passage omitted]

Background Data on Pro-Military Party Formation

91SE0291C Bangkok *SIAM RAT SAPDA WICHAN* in Thai 12-18 May 91 pp 8-10

[Excerpt] [passage omitted] It seems that an attempt is being made to form another political party, with the activists being Army generals. This is being coordinated by Major General Khasem Kraisan, who is attached to Army Headquarters and who is scheduled to retire in October 1992.

General Suchinda Khraprayun has again said that he doesn't know who is forming this political party or for whom it is being done. He answered questions about this by saying: "Is Khasem going to form a party? What can I say? He came to resign in order to stand as a candidate for MP [Member of Parliament]. I granted him permission. But I don't know anything about him forming a party."

People have the right to do that, but that doesn't have anything to do with the military. And I can assure you that I won't play politics." That seems to be a very "meaningful" answer that should be considered carefully.

However, even though there has not been any definite confirmation or denial by Gen. Suchinda, the existing situation and the clear attitude expressed by "key men" in the two newly-formed parties provide an answer. That answer is that the two parties that have been formed are "military parties" and both have the same goal, which is to support Big Su [General Suchinda] as the next prime minister after the coming general election.

A military officer who is involved in political work told SAPDA WICHAN that Maj. Gen. Khasem Kraisan actually is trying to form a political party. After meeting with Gen. Suchinda, last week, Maj. Gen. Khasem and former MPs such as Mr. Chaowawat Sutlapha, a former Ratsadon Party MP from Lopburi Province, and Mr. Sanya Sathrabut, a former MP from Bangkok, the deputy secretary general of the Prachakon Thai Party, and the "right-hand man" of Mr. Samak Sunthorawet, and other key people in various political parties who served as MPs, held a meeting at the Princess Hotel. One of the main topics of discussion was the formation of a new political party and the activities of the first "military party," which are being coordinated by Thiti Nakhonsap.

"Actually, both parties have the same goal, which is to support their 'boss' for the position of prime minister. But this news may make some people think that the Army party is in conflict with the Air Force party. That however, is not the case. Those who have heard such stories may have received their information from sources that want to cause trouble between Big Su and Big Te [Air Chief Marshal Kaset Rotchananin]. But actually, these two new parties are allies of each other," said the same news source. The source refused to say however, whether the word "boss" referred to "Big Su" or "Big Te"; he just laughed and said that "everyone knows."

Based on information obtained by SAPDA WICHAN from various sources, the reason for having to form another party to support a "big" in the NPKC [National Peacekeeping Council] for the position of prime minister can be summarized as follows:

The changing situation has generated confusion and created doubts among former MPs about joining the party being formed by Squadron Leader Thiti Nakhonsap. At first, they believed that CRMA [Chulachomklao Royal Military Academy] Class 5 was the activist in forming this party to support Big Su for the position of prime minister. But then Gen. Suchinda issued a denial after Squadron Leader Thiti clearly stated that his party supported Gen. Suchinda for prime minister. Moreover, Thiti is very close to Big Te. And even though Gen. Suchinda and Air Chief Marshal Kaset are close friends, the fact that Gen. Suchinda refused to accept this party caused many former MPs to hesitate and wonder if Thiti had formed this party in order to support someone else. And Thiti's statement that "both Phi Su and Phi Te are capable and honest men" just

reinforced the doubts in the minds of these former MPs. As a result, the number of former MPs who support this party has declined. When the party was first formed in May, it was said that about 100 former MPs supported the party. But that number has now dropped to only 60-70.

In view of the fact that the activist in the first military party is a former air force officer, the political advisers to the Army faction said that there should be a military party in which "Army officers" are the activists in order to have a new party that is an "ally." But that will give former MPs greater confidence. They will feel that regardless of whether they join the Army party or the Air Force party, they are supporting Gen. Suchinda for the position of prime minister. There would be little chance of former MPs making a mistake, and that would be a "way out" for their bosses in the future. The formation of an Army party should generate greater confidence because people can never be certain about the political situation.

The former MPs from the various parties need to be assured that they will have a good chance of playing a leading role in forming a new government regardless of whether they join the Army or Air Force party and that the military parties that back Big Su for prime minister can block any attack by the New Aspiration Party. This is because attempts have been made to get these former MPs to join the New Aspiration Party. It has been questioned whether the party formed by Thiti supports Big Su or Big Te. And Gen. Chawalit Yongchaiyut has said that if that is the case, it shows that the NPKC seized power in order to build itself up, which would be a violation of principle. He also stressed that Gen. Suchinda can become prime minister if it becomes necessary. "But he must become prime minister legally." All of this forced Gen. Suchinda to deny the rumors and state that "I will not play politics." As a result, many former MPs who had planned to join the military party began to waver. Thus, the formation of another military party is viewed as an attempt to counter the attacks of the New Aspiration Party and generate confidence among former MPs.

A report informed SAPDA WICHAN that the Prachakon Thai Party also exerted pressure that led to the formation of this new military party. This could be another way out for these people. Regardless of whether the Army or Air Force party becomes the major powerholder following the general election, the Prachakon Thai Party will be an important ally. "In the discussions on forming this new party of Maj. Gen. Khasem, Mr. Sanya Sithirabut played a key role. Air Marshal Sommot Sunthorawet is the "link" between Big Te and Samak Sunthorawet. On the other hand, Big Su and Samak have always had a good relationship with each other. This is clear from the fact that Mr. Samak clearly expressed his support for the appointment of Gen. Suchinda to the position of RTA CINC. But that does not mean that he does not support him from the position of prime minister. The Prachakon Thai Party now finds itself in a difficult situation and is at a political disadvantage. Thus, this is another move on the part of the Prachakon Thai Party," said the news source.

In line with reports that Squadron Leader Thiti was lobbying former MPs to get them to join the first military party, there were also reports that talks were being held on having the Prachakon Thai Party join forces with this party. But the sticking point was that the Samak faction wanted to name the new party the "Prachakon Thai Party," with Mr. Samak serving as an adviser to the party. They have not been able to overcome that sticking point and so more efforts have been made. However, even if the Prachakon Thai Party does not join the military party formed to support Gen. Suchinda, it is thought that these two parties will remain close allies.

The same news source informed SAPDA WICHAN that the first military party formed by Thiti Nakhonsap has the support of approximately 60-70 former MPs from various parties, including the Thai Nation Party (the Sukhum Laowansiri faction), the Solidarity Party (the Pa Theng faction), and other parties. The new military party formed by Maj. Gen. Khasem Kraisan, whose goal like that of the first party, is to support Big Su for the position of prime minister, has the support of former MPs not only from the Prachakon Thai Party but also from the Ratsadon Party. And the party is now trying to negotiate with Prachuap Chaiyasan, the northeastern head of the Democrat Party, in an effort to get him to have his northeastern faction join the new party.

From this it can be seen that in view of the political factors, if both military parties intend to support Gen. Suchinda for the position of prime minister, there are few obstacles in their way. Based on past trends, if these two parties join forces, they will have the support of at least 120 former MPs. In view of the fact that the new constitution states that "the prime minister does not have to be the leader of a political party" and that "senators can vote also," one-third of the total number of MPs in parliament (360) is equal to 120. And certainly almost all the senators will back the faction in power, that is, they will definitely support the senior people in the NPKC. And besides the votes commanded by the two military parties, they will also have the support of other parties. Thus, it is almost a foregone conclusion that Gen. Suchinda will become prime minister. The only question is if he will adhere to his statement: "I will not play politics or become prime minister." Many factions believe that when the time comes, Big Su will change his mind, citing the "suitability of the situation" and the need to serve the country.

However, even though there have been many questions and, in particular, even though people have said that "never in the history of Thai politics has anyone ever risked seizing power on behalf of someone else," because of the situation in the country, if Gen. Suchinda does not become prime minister after the coming general election, there could be an opening for Gen. Chawalit Yongchaiyut, the leader of the New Aspiration Party, to become prime minister first. The two military parties and the New Aspiration Party would become allies and form a united front that would command an overwhelming majority in forming a government. Gen. Suchinda would remain Army head and support the government. He might hold

two positions, that is, RTA CINC and supreme commander. He would still wield great power.

Besides the fact that Gen. Suchinda would be able to adhere to the "principle" of not having seized power for himself, he would be able to enhance his democratic image. Mr. Ukrut Mongkhonnavin, the president of parliament, has said that "the person who serves as prime minister can be an outsider but he cannot be a regular government official." Thus, Gen. Suchinda's statement that he will not play politics at this time is based on democratic principles.

Even though it has been announced that martial law will be lifted, the political parties will still be restricted by NPKC orders. They cannot conduct political activities at present. But the military parties and the New Aspiration Party are engaged in numerous activities. The draft of the new constitution has almost been completed and it is difficult to deny that the new constitution gives advantages to certain parties. Moreover, the general election is fast approaching, and the readiness of the two factions is very different.

Because of these two factors, another "choice" is that the two military parties and the New Aspiration Party may decide to work together as allies in forming a new government, with Big Chiu serving as prime minister. Big Su would still retain much power and would be ready to take over the reins of power in the future. That is, he would "leave" his position in the military and take the position of prime minister. That would be legitimate in all respects. [passage omitted]

Class 7 Colonel Plans New Political Party

91SE0290B Bangkok KHAO PHISET in Thai
13-19 May 91 p 14

[Text] He used to be a leader in the Democratic Soldiers group. Now, he has resigned his commission as an officer and is the leader of the Thai People's Party. But the political ideals of Colonel Suban Saengphan (CRMA [Chulachomklao Royal Military Academy] Class 7) have not changed. He is intent on establishing a mass political party. Even though the formation of the Thai People's Party has not been completed, the goal of "Staff Officer Suban" is to form a mass party.

After Col. Suban talked with KHAO PHISET as the leader of the Thai People's Party at the beginning of the year, some political observers wondered why he didn't join Big Chiu's New Aspiration Party in view of the fact that he is known to be a supporter of Big Chiu.

At the beginning of last week, in talking with KHAO PHISET, Col. Suban responded to that question. One part of his long and detailed response is very interesting. He feels that General Chawalit's movement is too big and cumbersome. A straightforward person such as Col. Suban might cause dissension in the movement if he began playing a role.

"It is better to form our own party. Politically, we support Phi Chiu but this is support on proper issues," said Col.

Suban, confirming that his party will be an ally of Big Chiu's New Aspiration Party.

Col. Suban said that he plans to have the Thai People's Party compete in the next election. It will concentrate on certain areas in the northeast and south. He said that he will run for election in either Rot Et or Nakhon Phanom. "As I have said before, it would be enough for us to win just one or two seats in parliament. We could then play a role. We have to take political action outside parliament too."

"It seems as if you will urge your MPs [Members of Parliament] and the New Aspiration Party to engage in activities outside parliament, that is, to engage in mass work," said the KHAO PHISET reporter.

"That's right. I think that I have done a good job in the 10 years that I have been engaged in mass work," said Col. Suban with confidence.

With this in mind, it would be rather unfeeling of Big Chiu not to donate some money to the Thai People's Party of Col. Suban.

Strategy for Pro-Military Party Discussed

91SE0260A Bangkok NAEON in Thai 29 Apr 91 p 14

[Interview with Squadron Leader Thiti Nakhonthap, coordinator for the military party by NAEON NA; place and date not given]

[Excerpts] [passage omitted] [NAEON NA] What steps will be taken?

[Thiti] Around the beginning of May, we will announce what we are doing and who is involved. We will bring forward MPs [Members of Parliament] to confirm that we have established a party. We will explain why we have formed a party. There are about 60 former MPs. [passage omitted]

[NAEON NA] Will the party be given a new name or will the old name be used?

[Thiti] Both. Four old parties have already registered. They are prepared to provide a name. We will change our executive committee. It probably won't be possible to use the old parties and change the name until martial law is lifted. The old party committees will hold meetings to elect new committee members. At present, all of these are our people. The new party committee has made a motion to change the name of the party in accord with our wishes. We are using the names of the old parties.

There shouldn't be any problem in registering the new party, because more than 10 of those who plan to join us are former ministers or former MPs. They have supporters in each of the regions. Thus, if 5,000 people join the party, we could complete things in just one day and submit the papers to the registrar. We could then announce the identities of the party leader, deputy party leaders, and party secretary. It would then take them three days to check the names to see if everything is correct based on the

political party process. There shouldn't be any problems as far as these two things are concerned. [passage omitted]

[NAEO NA] What will the party's name be?

[Thiti] It will include the word "solidarity," because people from various factions will join together here. And this is the feeling of many of the people who have joined our party. We feel that there should be a show of solidarity among politicians from the various regions and parties and people from all professions. Our party will include soldiers and government officials. But I can assure you that there will be former MPs from all the parties and regions.

[NAEO NA] It is felt that the party leader will be Gen Suchinda.

[Thiti] How could Gen Suchinda serve as the party leader! That is just a wild guess. He is still a government official. He will not retire from his position as RTA CINC until 1993. Isn't that better? If he became the leader of a political party and lost in the election, what would he do?

[NAEO NA] The new constitution may allow someone who is not an MP to serve as prime minister. Will your new party support Gen Suchinda for the position of prime minister?

[Thiti] I don't think I would put it that way. If our party wins a majority of the seats and forms a government by itself, our leader will become prime minister. But if a coalition government is formed, we have already seen that there is more corruption under a prime minister who comes from a political party than under a prime minister who is neutral. We have already seen which one makes more mistakes in governing the country. Because such prime ministers have to fear the influential ministers who can dominate many people, they won't dare dismiss the influential ministers regardless of what they do. If they do, they won't have enough votes in parliament. Looking at Prem, who was neutral; if a project was not cleared and he frowned a little, it did not pass.

[NAEO NA] But you have to look at the good points, too.

[Thiti] We don't see any good points. Compare the past three years with the eight years before that. There was a great difference between Chatchai and Prem. A neutral person would be free of the influence of ministers who have the support of many MPs. If the system is such that they have to find money to gain the support of MPs, everything will revolve around finding money just as in the Chatchai administration, or "buffet cabinet." During the Prem administration, no one dared engage in corruption, mainly because of General Prem. But during the time of the "buffet cabinet," regular government officials had to do things for the ministers. If they didn't, that was the end of their careers.

Thus, if there is a coalition government, I would prefer someone who is neutral like Gen. Prem who will work to help the country. When the time comes, we will look and see who it will be.

[NAEO NA] At present, it seems as if General Suchinda is the front-runner.

[Thiti] If I were a student of MR [royal title] Khukrit, that is, I have great respect for MR Khukrit, I have been molded by his ideas. But his loyalties lie with the Social Action Party so that is not possible. But if I were MR Khukrit, I would have the Social Action Party join with the new party. Or the new party could join with the Social Action Party. MR Khukrit could be the spark to make Gen. Suchinda prime minister. Would he agree with that? Who was the first spark? I am a student of his even though he is does not know me. I have learned a great deal from him. Because he has been the spark, I can't help but answer like this.

[NAEO NA] Has there been any response?

[Thiti] There hasn't been a full response. But agreement. If there is a coalition government. But at election time, if there is someone who can help the country more than Gen. Suchinda, in your case, who would you vote for? You would vote for the one who would do the most for the country.

[NAEO NA] In forming this party, have you received any financial support from "Class 5"?

[Thiti] Class 5 members are involved in several parties. Some members of this class are still colonels and group captains. We have never raised this issue. We promote people. I can assure you 100 percent, not 99.99 percent, that we have not received any support from Class 5. And where would Class 5 get the money to support us? Establishing a political party takes a lot of money. Don't forget that I am a consultant to several large companies. When the names of those who have joined me are announced, you will see that they are all very wealthy people. I am a son-in-law in the "Nana" family.

[NAEO NA] Where will this new party get its money?

[Thiti] All of those who have helped establish this party are wealthy people. This is true of those who have already joined the party and of those who plan to join. Several of these people have assets of more than 20 billion. These wealthy people have no wish to suppress the views of people in the party. The MPs will be able to work on behalf of those who elect them.

As for the wealthy MPs who won't need financial support, there are about 60 people who are ready to announce their support.

Speaking about Gen. Suchinda, from our dealings with both Suchinda and Kaset, both are very fine people. As honest people, I don't think that they will take this opportunity to assume high positions when they know that there are others who have done more for the country. I can assure you that if they are the ones who can best help the country, they won't have any other choice.

[NAEO NA] Have you talked with Gen. Suchinda?

[Thiti] We have not talked about this. But I have known him ever since he was a colonel. I was two classes behind him. We used to shower at the same time at school. I got to know him at school. Cadets live together like that. Thus, everyone knows everyone else's strengths and weaknesses.

[NAEO NA] Some view your party as a competitor of the New Aspiration Party.

[Thiti] That's possible, because our party associates with MPs who are different from those in the New Aspiration Party. And in establishing this party, there aren't any soldiers. I am the only retired military officer. The MPs won't feel that there is anyone blocking them and will be prepared to work on behalf of the people. But this won't be a center for disgruntled MPs. People have called and asked if we have had people contact others, particularly former MPs, in an effort to persuade them to join the party. I have told them that I haven't done that. I don't know who has been contacted. I don't find out until people call. There are about eight or nine calls a day. People have been asked to join the Thai Nation Party from this or that province. We don't know if there is anything behind this.

[NAEO NA] There have been rumors that Mr. Narong Wongwan, the leader of the Solidarity Party, will join your party.

[Thiti] There are rumors to that effect.

[NAEO NA] What are the names of the four parties.

[Thiti] There are parties that do not have much political experience. The press has been making guesses. They are the ones who have presented things. The heads of those parties are the ones who have said that the new party will accept them.

Thiti Nakhonthap Background, Military Ties Described
91SE0294B Bangkok *THE NATION* in English 5 May 91
pp a1, 2

[Article by Sompong Kittinaradorn; first paragraph *THE NATION* comment]

[Text] Sompong Kittinaradorn profiles the secretive lobbyist who stirred the political melting-pot with his recent announcement that he would form a new party to propel Gen Suchinda Kraprayoon to the premiership.

Politics is the first love of Sqd Ldr Titi Nakorntap. It probably runs in his blood—both his father and his grandfather were important players in the political world.

Titi, who likes to be known as a political lobbyist, grabbed headlines in several local newspapers recently when he announced an ambitious plan to form a party that would back army chief Gen Suchinda Kraprayoon as the next prime minister of Thailand.

Since his resignation from the Royal Thai Air Force in 1975, the lobbyist has earned his living by match-making military agencies and companies for military projects.

When Titi, a Class Three Air Force Academy graduate, told ACM Kaset Rojananil, the air force commander-in-chief who is a Class One graduate from the same institute, he would quit the establishment, the officer welcomed his decision.

Kaset responded tongue-in-cheek: "It's good for you to quit and do political work."

"[Judging by] your presence in the air force, you would make others feel uneasy," he said.

Titi's relationship with Kaset ran deeper than being alumni of the same Air Force Academy, however. When 6, [as printed] Titi served under him before he went to the Vietnam war as a pilot in the Victory Squadron.

Titi has told friends that he quit the air force because he loved politics and a military career did not seem to suit him. Unlike other soldiers, the sharp Titi did not respond strictly to discipline, making others feel uneasy, friends say.

His desire to be involved in politics probably came from his family. Titi's father, former MP Doctor Uan Nakorn-tap, was a career politician.

His grandfather, Luang Adulyadej, was Jaokhun Tesapibul Monthol Udorn, representing the late King Rama VII in governing an administrative zone covering several provinces when the country was ruled by the Monarchy.

In those days, Titi lived in his grandfather's vast palatial residence and experienced the power of an aristocrat. Villagers were on their knees when they called on his grandfather, and Titi began thinking in his childhood that the gap between the educated rich and the uneducated poor would only grow wider.

Young Titi thought there would be growing numbers of poor people and fewer rich people, for the birth rate of the former group always exceeded the latter.

Later, Titi was to find the connection he established during his military service were great assets in the "political roles" he played after his resignation from the air force.

One useful connection was former supreme commander Gen Serm na Nakhon, who was commander of the Thai forces in Vietnam during the Vietnam War.

As flight leader of the Victory Squadron in Vietnam, Titi won the trust and confidence of Serm because of his fluency in the English language and the fact that he quickly made friends with allied officers.

"He happened to be the only Thai air force officer in Vietnam who spoke English fluently and was in the best position to liaise with allied officers," said one of Titi's friends in the air force.

Later when Serm became supreme commander and deputy premier in charge of the Education Ministry, Titi knew he could play an important political role for his former leader.

During that time, Prachabaan teachers (who usually work in rural or remote areas) launched a campaign seeking independence from the Interior Ministry.

Titi threw his support behind the campaign and worked behind the scenes to help the teachers achieve their goal, making use of his close connection with Gen Serm.

As a result of the campaign, a National Pathom Suksa Committee was formed with 12 members elected from teachers of 12 educational zones throughout the country. Another 19 members were appointed by the government.

These days Titi is proud that all the 12 candidates with his backing won the election to sit on the 31-member committee which is empowered to appoint, promote and demote provincial chiefs of Prachabaan teachers. And as a result of his involvement in the campaign, Titi made connections with now-leading teachers.

Titi also maintained contact with his military connections, particularly those in the air force. Following his resignation, he was still an active member of a club formed by graduates of the Air Force Academy.

The air force officers who graduated from the academy formed the club because they felt they had to stick together and put promotion proposals to the commander-in-chief, who graduated from an army academy.

Air force commanders-in-chief prior to Kaset's predecessor, ACM Voranart Apicharee, were graduates from the army academy because the air force academy had not been established.

The club then enjoyed a high profile, particularly when ACM Panieng Kantarat, a graduate from Army Preparatory School Class One, ACM Thakaew Susilvorn and ACM Prapan Dhupatemiya were at the helm of the air force.

The only civilian in the club, Titi acted as a link between the club and the air force chief until Voranart took over the air force.

The club is less important now that the air force is run by a graduate from the Air Force Academy.

Titi's relations with Kaset became even stronger after his resignation from the force.

The lobbyist is said to have played a key role in co-ordinating air force and Chullachomkla Military Academy Class Five officers in helping former premier Gen Prem Tinsulanonda crush the April Fools Day coup staged by Young Turk army officers in 1981.

Titi is known to have closer ties with Kaset than Suchinda.

How he got to know Class Five leader Gen Suchinda, who is now army commander-in-chief and deputy chairman of the National Peacekeeping Council (NPKC), is still somewhat shrouded in mystery.

The first time Titi saw Suchinda was probably when they were students at the Chullachomkla Military Academy and the Air Force Academy. Titi once said to a friend that

he remembered Suchinda because the young army cadet student was a star in his academy's basketball team.

"Suchinda was playing leading roles in scoring marks for his team, and the army team usually defeated the air force team," Titi told a friend.

Titi probably first contacted Class Five officers, including Suchinda, when the officers were colonels controlling combat units in the army. Suchinda was then deputy chief of the Army Directorate of Operations.

Throughout his career as a lobbyist, Titi has also made connections with many other military officers, including Gen Chavalit Yongchaiyudh, who is tipped to be a candidate of premiership at the next election as leader of the New Aspiration Party.

Titi is also known to have a close connection with ACM Somboon Rahong, who has been managing director of the Airports Authority of Thailand for several years. He has been quoted as describing ACM Somboon as "our key Chat Thai connection."

During Chat Thai leader Gen Chatichai Choonhavan's rule of the country from August 1988-Feb 1991, Titi played an active role as trouble shooter between the Rajakhrus and the military.

He is also known to have contacted such Chat Thai leaders as Banharn Silapa-acha and Pol Gen Pramarn Adireksarn.

Under Chatichai, ACM Voranart and Kaset swapped military posts. The swap was partly believed to have been made possible by the mediating role played by Gen Chavalit, then army chief and supreme commander, but there were rumours that Titi worked behind the scenes between Chatichai and Kaset to help clear the way for the exchange.

The role Titi played in maintaining contact between the military and the Rajakhrus is still off-the-record but it is no secret that Titi was often seen at the former premier's residence, especially during critical periods.

Titi's political connections are much more extensive than they seem at first glance.

His wife is the younger sister of Lek Nana, an important member of the Democrat Party and a strong supporter of Bhichai Rattakul when the latter held the reins of the party.

His younger brother, Pramote Nakorntap, was a co-founder of the New Force Party. Many former New Force Party politicians are now scattered throughout different parties, including Prayuth Siripanich, who is considered by some as Titi's connection in the Social Action Party.

Titi and Pramote however have different political beliefs and are taking different courses.

But Titi and his youngest brother, Nitinai Nakorntap, who is said to be Titi's connection in the Solidarity Party, agree on political issues, including Titi's plan to form a new party as a political vehicle for the country's next leader.

In his fifties now, Titi may feel the formation of the new party would be a highlight of his career as a lobbyist. Curiously, he is said to have no intention to run in the next election under the banner of the new party.

He is quoted as telling confidantes that he would not seek any political position in the endeavour.

"I may have an executive party post, but when the party has grown strong enough to stand on its own, I will retreat into oblivion. My intention is only to help the country have a strong leader," Titi was quoted as saying.

Titi plans to continue his independent career as a lobbyist, even though some people may see it as a less-than-secure vocation for someone of his age.

Paper Views Fisheries Issues

91SE0312C Bangkok *BAN MUANG* in Thai
28 May 91 p 5

[Editorial: "Protect the Fishermen"]

[Excerpts] [passage omitted] Our fishing activities are now declining rapidly in terms of both the size of the catches and the number of fishing boats. This is because the number of fish in the Gulf of Thailand and in neighboring countries is declining.

Neighboring countries are very concerned about their natural resources and so they have prohibited others from fishing in their territorial waters. This is understandable. Thailand, too, is taking greater measures to control fishing activities in its territorial waters out of fear that the area will become depleted of fish.

Now that our neighbors are becoming more concerned about their natural resources, more and more Thai fishing boats illegally fishing in their territorial waters will be seized. During the past 10 years, neighboring countries have seized more than Thai 1,000 fishing boats and punished their crews.

We really don't need to say much about the losses suffered by these fishermen, because the boats and equipment alone are worth billions of bath. And thousands of fishermen have been arrested and jailed because they haven't been able to pay the fines. [passage omitted]

Recently, in some cases, it has not been clear whether the Thai fishing boats were seized in the territorial waters of neighboring countries. Most recently, there have been reports that neighboring countries, particularly Vietnam, have used seized Thai fishing boats to seize other Thai fishing boats operating in Thai waters. They have acted like pirates and demanded ransom for both the fishermen and boats. Or after seizing the boats, they have stripped the boats, stealing the expensive fishing equipment. [passage omitted]

This problem is a very complex issue that involves several other matters and so it must be dealt with very carefully. We are at a great disadvantage, because we lack clear evidence. We must rely mainly on good relations with

other countries and take steps to protect our fishing boats in order to reduce the severity of this problem.

MILITARY

PRC-Built Frigate's Weapons Guidance System

91WC0123A Bangkok *NAEO NA* in Thai 29 May 91 p 5

[Text] The first frigate, the "Chaophraya," that the Navy purchased from China has now arrived in Thailand. The captain of this frigate is [Navy] Captain Sommai Prakan-samut, who, together with 168 sailors, traveled to China to take delivery of this warship.

The Navy has ordered two groups of ships from China on a state-to-state basis. The first group, which consists of four ships, has been named after important rivers in Thailand. These are the Chaophraya, Pang Pakong, Saiburi, and Kraburi warships. Each ship cost 1.7 billion baht. One ship will arrive in Thailand every four months. These ships are Chinese "Chiang Hu" class frigates. But the Navy designed the equipment and internal divisions. The second group of ships, which consists of two ships, has been named after two of Thailand's great kings. That is, these have been named the Taksin and the Naresuan.

These ships are powered by very modern MTU engines. There are four 20 V-1163 TB-83 diesel engines and CPP propellers. The internal weapons system is a modern system consisting of surface-to-surface guided missiles, 100-mm guns mounted on twin pods, antisubmarine missiles, and a sonar system. The ships have a hull length of 103 meters and a width of 11.33 meters. They have a draft of 3.10 meters and a displacement tonnage of 1,924 tons. The ships have a top speed of 30 knots and an operations radius of 3,500 miles.

The Royal Thai Navy will use these to conduct patrols, escort naval convoys, carry on antisubmarine operations, and support coastal assault operations.

Paper Notes Malaysia Fisheries Problems

91SE0312B Bangkok *BAN MUANG* in Thai
14 May 91 p 5

[Editorial: "Thai-Malaysian Fisheries Problems"]

[Excerpts] [passage omitted] The value of the fishing boats that have been seized totals more than 100 million baht. After seizing these boats, Malaysia sells them on the market for approximately 700,000 to 1 million baht. But Malaysia first removes the valuable parts, such as the radar. Only the shell is left. The cheaper boats that no one wants to buy back are left to "rot" in Malaysia. [passage omitted]

We seem to have more fishing disputes with Malaysia than with any other neighboring country. With our other neighbors, we seem to be able to negotiate on a friendly basis and have good relations even though they may not be members of ASEAN. This is strange. And these are countries with which we share both land and sea borders.

The Thai Government has not acted forcefully in dealing with this problem. Even though an agreement has been reached on fishing matters and other interests in this coastal economic zone, large numbers of fishing boats have been seized in this coastal economic zone. Even fishing boats that were just passing through these waters to fish in open waters have been seized.

The government must show greater strength in protecting the rights of the people and the zones of interest of the Thai people with respect to Malaysia. In particular, the navy should take steps to protect Thai fishermen in this economic zone. From what has happened, it seems as if the government and the Navy have done very little to help the Thai people.

General Chainarong Nunphakdi Career, Prospects Profiled

91SE0258A Bangkok LAK THAI in Thai 29 Apr-5 May 91 pp 15, 16

[Unattributed report: "Major General Chainarong Nunphakdi - the 'Iron' Track in the RTA [Royal Thai Army]"]

[Excerpt] [passage omitted] **Personal Qualities**

Major General Chainarong Nunphakdi, the Commander of the First Division, King's Guards, is considered to be an officer with extensive combat experience. When he transferred from being the commander of the Second Infantry Division to being commander of the First Division, King's Guards, it gave him more of a record as a division commander inasmuch as he had been commander of two important divisions in the First Army Region. When he transferred from the Second Infantry Division to the First Division, King's Guards, replacing Lieutenant General Watna Sanphanit, who became First Corps commander in October, it was clear that Major General Chainarong Nunphakdi was someone to watch. His personal qualities were that he was "soft outside, hard inside" - he was organized, gentle, and cheerful but was inwardly strong.

In addition his "class," Royal Military Academy class 11, was a class to watch. This class stuck together closely so that it was worth watching. The duties assigned to this class and the progress of the class and of Major General Chainarong Nunphakdi made one confident that his future was on the Army's "iron" track.

The Future

It is expected that this October his track will take him to a new position, but it will not be the route of "corps commander" as with three former commanders of the First Division, King's Guards, who left this position and went on to become commanders of the First Corps.

Our source said that his track would take him to the First Army Region. After being commander of the First Division, King's Guards, he would not become commander of the First Corps with the rank of Lieutenant General but would remain a Major General as deputy commander of the First Army Region. It was felt that he would need the strength of steel to punch through to the position of

commander of the First Army Region in less than two years. He would become a Lieutenant General in that position before moving on to become a general and assistant commander of the RTA [Royal Thai Army] and then continuing on up. It was felt that he would have to be "quick" but would not have to leapfrog because on this track if he became commander of the First Army Region then it would not be difficult to become a General in the RTA.

Our source said that it was felt that he had the seniority as major general to become a lieutenant general but that the First Army Region would be very influential in this and he should not be in too much of a hurry to make lieutenant general this year.

The Possibilities

A high-level source in the RTA said that we should watch Major General Chainarong Nunphakdi closely because he could disappoint many people. If he did become Commander of the First Army Region, there would be a period from 1994 to 1995 when he could advance to the highest position.

In any case with his service scheduled to last until the year 2002, he had many possible routes worth watching. He was the second Nunphakdi after General Itsaraphong Nunphakdi. There was another "Nunphakdi", Major General Thawisak Nunphakdi, who was the commander of a military intelligence unit and who would follow in the "Nunphakdi" family tradition. Major General Chainarong Nunphakdi was the second to have lent the name, "Nunphakdi", to the history of the First Division, King's Guards. The first to command this important division was General Itsaraphong Nunphakdi, "Big Tui" and now it was under Major General Chainarong Nunphakdi, who was called "Nun" by his friends.

His Role in the RSCh [National Peace Council]

He had an important role in the forces supporting the RSCh. On 23 February he was involved in operations along with the Antiaircraft Artillery Division commanded by Major General Samphao Chusi. What was most important during this period was that he was in charge of all the forces controlling the situation. He also had a role in locating individuals who "should be found" such as Major General Manun Rupkhachon.

With regard to Major General Manun Rupkhachon, there were reports that "spies" of Major General Chainarong had stuck with him the entire time until he left Thailand. They still follow him under a high-level policy. They do not do anything except follow his movements.

Prospective Navy Chief Assessed

91SE0290E Bangkok LAK THAI in Thai 27 May 91-2 Jun 91 pp 20, 21

[Excerpt] [passage omitted] On 24 May, a meeting was held by the class that uses the code 0143, that is, cadets who become military and police officers in 1958 [Thai year 2501], which is the source of the "01." The "4" stands for

the three branches of service and the police, with the "3" standing for the three military branches. Those who graduated in 1958 were members of CRMA [Chulachomklao Royal Military Academy] Class 5, Naval Academy Class 2501, and Air Force Academy Class 1. This meeting of Class 0143 was a "special" meeting. The pleasure ship Andaman Princess was used for the occasion. After all the guests had boarded, the ship left the mouth of the Gulf of Siam and sailed to Sattahip in Chonburi, docking on 25 May. The guests played golf at the Navy's Phlu Ta Luang golf course and enjoyed a banquet at the marine headquarters club. A source who attended this function said that friends of Admiral Wichet Karunyawanit, the Navy chief of staff and deputy minister of interior, congratulated him. But Admiral Wichet said that congratulations were premature and that he did not want them to congratulate him yet. He said he preferred this to be just an ordinary class party. But who is promoted to what position is up to his superiors, that is, the supreme commander and minister of defense.

Our source in 0143 said that even though Admiral Wichet denied this, it is well known that he has been "tapped" to become RTN CINC in October 1991.

Our source said that in congratulating Admiral Wichet, his friends did not do so openly because a fellow classmate, Vice Admiral Prida Kansut, who has also been a contender for this position, was present. The source said that both Admiral Wichet and Vice Admiral Prida "understood" that this is a matter of timing and direction. Admiral Wichet will retire in 1993; thus Vice Admiral Prida can wait until after his friend retires because he will not retire until 1994. Thus, he has a very good chance of being appointed RTN CINC after Admiral Wichet.

Last year, Vice Admiral Prida seemed to be the favorite. He held the position of assistant Navy chief of staff for operations, which is an important position. But then he was transferred to Navy Headquarters. Vice Admiral Wichet, who was then serving as chief of the Office of Navy Controller, was promoted to admiral and appointed Navy chief of staff. That gave him the lead. It can be said that he moved up with great speed. Everything seems set for him to be appointed RTN CINC. Our source said that When Praphat selected Wichet for the position of Navy chief of staff, it was clear whom he had chosen to replace him."

The source said that Gen. Suchinda Khraprayun, the RTA CINC, and Air Chief Marshal Kaset Rotchananin, the RTAF CINC, are members of 0143. If Admiral Wichet becomes RTN CINC this year, the heads of all three branches of the military will be members of 0143.

"He was a very good student. He was brilliant. He always placed first on the examinations. Praphat liked him very much and had great trust in him. He is an honest and straightforward person. And the important thing is that he has followed the example set by Praphat. That is why he likes him so much," said our source. "Praphat" refers to Admiral Praphat Krutsanachan, the RTN CINC and minister of defense, whom naval officers refer to as "teacher."

The source said that there is no need to talk about the "chance" of Admiral Wichet being appointed RTN CINC, because "he is certain to be appointed."

The source also said that from what can be seen today, there aren't any problems. In the past, there may have been some political problems. But Admiral Praphat, the RTN CINC, is also the minister of defense. As RTN CINC, he must submit the name to Supreme Command for consideration by Big George [Gen. Sunthon]. But Big George will not object to the name submitted by Admiral Praphat. Big George, the supreme commander, will then send the name to the Ministry of Defense for a decision. And the person there who will make the decision is Admiral Praphat, because he is the minister of defense. And there won't be any problem when the name is submitted to the prime minister, because the military has already made the selection. [passage omitted]

ECONOMIC

Columnist on Amaret Approach to IPR, U.S. Trade
91SE0315A Bangkok BAN MUANG in Thai
17 May 91 p 5

[Column by Ta Mo Lo: "Don't Isolate Yourself"]

[Excerpt] [passage omitted] With regard to Article 301, if the United States is able to make up its mind to do something, let it happen. What is important is that we look out for ourselves. We do not have to be considerate of anyone.

With regard to national interests no one is considerate of anyone else. Article 301 of the United States will continue to be a problem as long as the United States is at a disadvantage in trade.

Therefore we must be well prepared.

What the United States wants from Thailand is payment for "intellectual properties" or, as they are commonly called, "copyright fees." These are divided into many types such as trade marks, printed material, scientific developments, medicine, and even plants. It is very detailed.

When news of Article 301 first reached Thailand, there was a strong reaction here. But in the two years since, the attitude has been much calmer.

Because we were tired or had had time to think or for some other reason.

Thailand has shown its willingness for give and take with the United States, but the United States has not softened its position at all. Its position is still as firm as ever.

"An eye for an eye, and a tooth for a tooth" has been the approach which the United States has taken with Thailand. This means that the United States will seek compensation from Thai imports to make up for its losses in "intellectual property."

This is something to think about.

The opposition to Article 301 in Thailand has decreased a great deal especially with regard to copyright laws (printed matter, music tapes, videos, movies), trade laws, and patent laws.

The Ministry of Industry and the Ministry of Science have been very quiet.

Only the Ministry of Public Health has been fighting it.

This is because if we went along with the wishes of the United States, the cost of medicine and health care expenses would certainly rise, and they might rise a great deal because we would not have the right to control prices directly.

Those who would be hurt the most by this would be the poor people who make up the majority of our population.

We are up to our ears in medicine costs already.

And in fact the Ministry of Public Health did not refuse 100 percent. It refused only 25 percent. It was willing to accept "intellectual property rights" but only for new products which were just invented.

The rest would be left as they were.

So that people at the lower levels or poor people would have some reprieve.

But the United States would not accept this.

It was here that Mr. Amaret "lost it."

Because there were accusations that he was being weak with the United States, and he refused to reveal the conditions he would discuss with the United States.

He said that "if these are not kept secret and the United States learns (our strategy) beforehand, Thailand will be at a disadvantage."

But the mass media did not agree with him.

A minister should not keep secrets from the people because the people are masters of the country, and the results of this agreement will directly affect the people. Therefore they should know.

This is not war.

This cannot be considered something for the government or the Minister of Commerce to decide alone. The people have a right to know about this and express their opinions.

Mr. Amaret has been firm.

This has been a period of cooperation between the government and the private sector in every way. Things have been proceeding smoothly. This period will end when the government on its own orders the people to do this or that.

Article 301 requires cooperation and a great deal of it - maybe more than the minister realizes.

In particular there must be cooperation in creating intellectual property rights for us as we might be competing with the United States in the future.

That would be the height of cooperation.

But if the minister thinks and acts alone, he will probably remain isolated.

Cooperation does not mean investment. It is a kind of assistance. If the government does not display a friendly attitude toward [the private sector], it will not extend a hand to help.

Finance Minister Concerned Over Japanese Loans

91SE0296B Bangkok *THE NATION* in English 3 May 91
p b1

[Article by Usanee Wongsawat, Oranuch Anusaksathien]

[Text] Finance Minister Suthee Singhasaneh yesterday expressed concern over the delayed negotiations on the yen soft loans to be provided by the Japanese government's Overseas Economic Cooperation Fund (OECF) for the coming fiscal year.

Suthee said the delay was caused by the reluctance of the Japanese Finance Ministry, the sponsoring agency of the OECF, to provide the soft-loans to Thailand now that the country had recorded remarkable recent economic growth and maintained a sizeable fiscal reserve of US\$15 billion.

However, a senior Japanese embassy official in Bangkok denied that Tokyo would delay the negotiations for the 16th OECF loan agreement.

According to Koichi Takahashi, economic counsellor, the Japanese Prime Minister [PM] Toshiki Kaifu's reaffirmation of Tokyo's willingness to provide OECF loans equal to the amount pledged last year, had wiped out any uncertainty involving the assistance programme.

Takahashi said that Kaifu reaffirmed Tokyo's assistance policy to his Thai counterpart, Prime Minister Anand Panyarachun, when they met on Tuesday in Bangkok.

"There were uncertainties before about the yen-loan assistance to Thailand, but the uncertainties were wiped out after PM Kaifu's visit," he said.

OECF loans to Thailand were Y81.2 billion in 1989, compared with Y75.8 billion in 1988 and Y81.8 billion in 1986. The amount of the loans varies each year according to the proposals submitted by the Thai government.

Takahashi admitted, however, that there was a possibility that the Japanese Finance Ministry might not be able to accommodate all of the requests from Thailand, and that the Thai government's request for about Y85 billion could be cut to Y82.5 billion.

Takahashi added that the aid granted to Thailand would also be reduced gradually owing to the country's rapid economic growth.

This year Thailand graduated from the interest-free loans of the International Development Association (Ida), a criteria the Japanese government had used to determine

recipient countries status. In 1989, the Japanese grant aid to Thailand amounted to Y9.5 billion (excluding technical assistance).

"It would be difficult to maintain the level of grant aid to Thailand which had enjoyed explosive growth and is starting to be a donor country itself. It is a natural process of development," he noted.

Finance Minister Suthee told reporters yesterday that the Japanese Finance and Foreign ministries could conflict because of the latter's push for the continuation of financial assistance to Thailand in order to maintain its close relationship with Bangkok.

According to Suthee, the Japanese government would have to secure lending sources which might charge high interest rates in order to extend long-term credit to developing countries. The OECF loans generally carry an interest rate of 2.7 per cent and a repayment period of 40 years.

The minister said Japanese loans accounted for 31 per cent of the country's external borrowing. Of the total US\$400 million OECF loans under the 15th credit agreement, US\$118.52 million has already been reimbursed.

Suthee said it was government policy to encourage state enterprises which require large investments, such as Thai Airways International, the Electricity Generating Authority of Thailand (Egat) and the Telephone Organization of Thailand, to borrow in baht from local sources.

Ambassador to PRC Comments on Investments

91SE0259A Bangkok DAILY NEWS in Thai
13 Apr 91 p 9

[Text] Mr. Montri Chalichan, the Thai Ambassador to Beijing, said that talks about joint investment between Thai businessmen and China were more promising inasmuch as China, although it was cautious, had adopted a policy of opening its economy. A Thai Government unit in China was ready to provide support for Thai businessmen who wished to invest in China. As regards the discussions and progress on the projects of Thai businessmen, we know that the group led by Mr. Prachai Liaophairat, the Chairman of the Board of Directors of the Thai Petrochemical Industry Ltd. (TPI) which is to invest in the petrochemical industry, has met with ministers in the Chinese Planning Office to discuss details. It has been learned that Li Peng, the Prime Minister of China, will sign to give permission soon.

The value of the investment by Mr. Prachai's group is expected to be not less than 75 billion baht. It will be a joint investment with the Chinese side. This project will be located in Soen Choen.

As regards the project to open a commercial bank in China, Mr. Montri said that the group of Mr. Suchai Wiramethikun, the Chairman of the Society for Thai-Chinese Investment, was requesting permits to set up businesses in Swatow. China was expanding financial services a great deal - it had given permission for foreign

commercial banks to open branches in important economic cities such as Shanghai.

Mr. Montri Nawikamun, an adviser to the president of the Charoen Phokphan Group [CP], said that the CP Group had entered into a joint venture with Dutch businessmen and would ask permission to open a "Maekhro" department store in Kwangchou Province. Despite the fact that China would control trade closely, the CP Group was confident that its business expertise would bring China to accept their proposal as an example. "The prospects for sending Thai goods to China through Maekhro may not be bright, but it is still possible if the CP Group is able to export goods to China".

Mr. Montri said that the CP group also had a project to invest in the petrochemical industry. It was a project to produce PVC at the rate of 30 million tons per year, and it had been approved.

BOI Backs Factory Relocations to Vietnam

91SE0296D Bangkok BANGKOK POST in English
26 Apr 91 p 15

[Text] The Board of Investment (BoI) will support industries interested in relocating their facilities to Vietnam, BoI secretary-general Chira Panupong said yesterday.

Mr Chira's comments came after the BoI organised a mission to Vietnam from April 20-24 to seek investment opportunities there.

Mr Chira said Thai investors were very interested in investing in Vietnam but they needed a firm assurance the Vietnamese Government would not nationalise foreign investment.

They also called for the Vietnamese Government to adopt a single tax collection system.

Furthermore, a joint committee comprising representatives from the BoI and Vietnam's State Committee for Cooperation and Investment should be set up to promote investment in Vietnam.

Mr Chira said investors who wanted to invest in Vietnam would be granted full privileges and full financial support.

But he suggested that investors be sincere in their efforts to develop industry there and be fair to the Vietnamese Government.

Vietnam has potential for investment because of the availability of raw materials and labour.

Mr Chira said the industries which were attractive investments in Vietnam were consumer products, mining, construction materials, hotels, sugar and fishing.

The BoI also planned to send missions to Laos, Indonesia and Malaysia as part of its campaign to seek investment opportunities in the region.

Manufacturer Plans SRV Factory

91SE0296A Bangkok BANGKOK POST in English
22 May 91 p 19

[Excerpt] Hua Thai Manufacturing Co, a manufacturer of woven garments, has set up a factory in Ho Chi Minh City.

Managing director Peter Wang said yesterday his firm had been cautiously establishing its manufacturing facilities in Vietnam to enjoy the relatively low labour costs there.

He said current labour costs in Vietnam were about one-third to a quarter of those in Thailand.

But he said his firm had to be cautious about investing in Vietnam as there were no clear legal promotional privileges for foreign investment there.

He said initially about 200 machines would be installed in the Ho Chi Minh City factory which would produce 15,000 jackets per month. [Passage omitted]

Oranut on Trade Strategy for Latin America

91SE0310B Bangkok THAI RAT in Thai 28 May 91 p 9

[Text] Mrs. Oranut Osathanon, the Director of the Department for Encouraging Exports, said that during the period from 2 to 16 June 1991 the Chamber of Commerce of Thailand would lead a delegation of Thai trade representatives to observe the patterns of trade in four South American countries: Mexico, Argentina, Chile and Brazil. She would be an adviser to the delegation. The delegation would go to see what the private sector thought about cooperating with the government in setting up a trade center in South America. It would also help create confidence if the private sector knew that this center would benefit trade with these countries.

Mrs. Oranut said that at present Mexico and the United States were cooperating in setting up a free trade zone. If this were successful it would be expanded to include Canada. Therefore the department thought that it would move the location of the trade center from the city of Salfaro in Brazil to Mexico. It would not have to be located in the capital. It could be located in a port city in Mexico. It was thought that this could be accomplished. The resolution of the new cabinet would have to be changed so that the location could be changed from Brazil to Mexico.

In addition this trip would serve to expand trade and open new markets for goods without giving up regular markets. This was a policy which was agreeable to both the government and the private sector.

The director said that in addition to traveling to look for ways to expand trade, they would also look for ways to expand joint investments inasmuch as Mexico had opened up 100 percent to foreign investment. If they were able to enter into a joint investment, their goods could enter the United States more easily.

Siam Commercial Allowed To Operate in Cambodia

91SE0295B Bangkok MATICHON in Thai 6 Jun 91 p 4

[Text] Mr. Wichitra Suphinit, the Director of the Bank of Thailand (ThPT) said that the bank had given permission for the Siam Commercial Bank to open branches in Cambodia. This bank signed an agreement on 3 June to invest funds in the Bank of Cambodia. The bank was asked to report the details again. The opening of the branches was possible because of the theory that the Bank of Thailand needed to expand financial services in production areas in order to support Thailand's development as the financial center for this region. It was thought that the political problems of the still unstable Cambodia would not be an obstacle because the investment was small. If other banks asked to open branches in Cambodia, the Bank of Thailand would give permission.

A report from the Siam Commercial Bank indicated that it had announced a change in the interest rate for MOR and MLR loans to 15.5 percent starting on 6 June.

Burma Gas Project Planning Continues

91SE0259B Bangkok SIAM RAT in Thai 13 Apr 91 p 6

[Excerpt] [passage omitted] Mr. Thongchatra Hongladarom, a Director of the PTT [Petroleum Authority of Thailand] Surveying and Petrochemical Production Company Ltd. (PTT SPP) spoke about the progress in producing natural gas from the Motama site, which is an area in the F Block of Burma. They were waiting for a response from Burmese officials concerning whether they would allow PTT SPP to be the principle partner. Before this Burma has had the position that it should be the principle partner and that Thailand should only have a 10 to 20 percent share. PTT SPP will probably maintain its former position that it be the principle partner and that it find investors to participate. In any case if Burmese officials wish to participate, it is exoected that there will be a response soon.

Mr. Thongchatra said that "PTT SPP officials had developed a plan to supply a large elecrical power plant capable of generating 2,000 megawatts. This plant would require 500 million cubic feet of natural gas per day. Initially it would generate only 1,200 megawatts which would require 200 to 300 million cubic feet of natural gas per day. Therefore we need to be the principle partner in the project. The electrical power plant would be built in Kanchanaburi Province, and there have been some unoficial discussions with electrical generation officials."

Mr. Thongchatra also said that the joint project to develop a natural gas source with Vietnam was promising and that Thai government officials were trying to get in touch with Vietnamese officials to request talks in detail. The basic surveys indicated great potential for natural gas inasmuch as it was an area very similar to a natural gas source in the Gulf of Thailand. If this project were actually successful, the pipeline for the natural gas in the Gulf of Thailand would be connected with the source in Vietnem so that it could feed the PTTh. gas separation plant at

Maptaphut. As for the JDA project, an administrative organization was being set up. This is expected to be completed by the end of the year. Then consideration would be given to the details of the project, the design of the joint investment and the division of the benefits etc.

A source at one commercial bank said of the PTT SPP project to survey for and produce petroleum gas that he believed that many commercial banks were interested in supporting the project because they saw that it was advantageous for the country. And the probability of success promised a high rate of return in a short period of time. Everyone already knew how much petroleum Burma had when England pulled out so there would be no exploitation of oil. What he was worried about was the safety of the project, especially in regard to transportation and how it would be accomplished. If it involved laying a pipeline through Burmese territory under the control of minorities, there would certainly be problems. It might be destroyed at any time. If the gas were to be transported by ship from Burma to Thailand, a port would have to be built for unloading and special ships would have to be built. This would require a high investment which did not appear to be worthwhile.

A source in the PTT SPP Company thought that for PTT SPP to lay the pipeline through Burmese territory controlled by minorities to Thailand would not be a problem because we would be able to use our political power to hold talks with these minority groups and protect the gas pipeline. With regard to using ships for transportation, the investment would be high, but if the price of natural gas were high, the investment would be worthwhile.

Paper Urges Oil Deals with Neighbors

91SE0310A Bangkok THAI RAT in Thai 27 May 91 p 3

[Editorial: "Thailand's Golden Opportunity"]

[Excerpt] [passage omitted] We Thai people should strongly encourage the Thai government to expand its joint ventures in oil production with our neighbors no matter whether this is with Malaysia, Vietnam, Cambodia or Laos. In particular Vietnam has large oil reserves similar to those of Malaysia. Vietnam has been ready to talk about oil with Thailand since the last government was in power but has not had the opportunity. We could not let this opportunity pass by.

There are mutual benefits in oil production to be found with all our neighbors. This is not just to guarantee that Thailand will have a constant supply of oil and gas. There will be broader consequences - it will bring immediate stability to the region. The PTT [Petroleum Authority of Thailand] has no funds, and the government must support it completely.

Policy Makers Continue Comments on IPR, Trade Issues

Amaret, Minister on Policy Stands

91SE0313A Bangkok SIAM RAT in Thai 15 May 91 pp 1, 14, 16

[Excerpts] [passage omitted] Mr. Amaret Sila-on, the minister of commerce, was interviewed by reporters at the Government House on 14 May. [passage omitted]

A reporter asked about Article 301. Mr. Amaret said that this is a matter for discussion. There is no reason to get into a domestic argument. We should not let others see that there are internal splits. He said that he does not want to discuss this any more. When asked what his position is on this matter, Mr. Amaret said that government officials are responsible for handling this. They know what is happening.

"The United States has stipulated that Thailand is one of the countries on its blacklist and that there must be negotiations. If the talks achieve results, they will take us off the blacklist. But if they are not satisfied, they reserve the right to retaliate against us within six to nine months. U.S. retaliation will not exceed its losses. The United States now places its losses at approximately \$300 million. With respect to video tapes, tape recordings, and drug patents, U.S. retaliation will not exceed \$200 million per year. That is about 500 million baht. But Thai exports have a value of about 100 billion baht and so that isn't that much. But we don't know what will happen. And talking about things without understanding the principles involved will just confuse the people. If people don't understand, they will become alarmed. If we negotiate with the United States in a state of fear and they negotiate with confidence, you can see who will win," said Mr. Amaret.

Mr. Amaret said that at the beginning of last week, officials from five ministries held a meeting in order to adjust [Thailand's] attitude about what changes should be made. We must discuss things before traveling to the United States. And things must be explained to the cabinet. He said that he didn't want to say anything more at this time, because that would not benefit Thailand. That would only benefit the United States. As for the letter that has been disseminated, those who have read only that letter won't know what the real position of the Ministry of Commerce is. Those who will attend the negotiations are not the people who are talking about things on the outside. Concerning what has been said, we must distinguish facts from personal views.

Mr. Amaret said that concerning the standpoint and attitude of the Ministry of Commerce as it enters into talks with the United States, we must talk with China and India first. We can't compile anything right now. But China's attitude is very tough. But we know that they are weaker than us. Because they have not yet arranged to hold talks, there is still time to formulate an attitude and position.

"Now that they have designated us a PFC [priority foreign country], what we have proposed is meaningless. We will have to start over. At the meeting of the five ministries, we discussed various matters. But you shouldn't pay too much attention to this. We have to become secure in our feelings. We don't want to be fooled by them. That would place us at a disadvantage. The United States likes to generate confusion and exert pressure in order to get people in the private sector to bash each other and have the private sector oppose the government. By generating confusion, they are the ones who benefit," said Mr. Amaret in conclusion.

After a meeting on drug patents that was held at the Ministry of Public Health that same afternoon, Dr. Uthai Sutsuk, the undersecretary of public health, told reporters that discussions were held on data concerning drug patents in preparation for submitting the government's policy on this. This policy is one that will have the least effect possible on the people. The best way is to bargain in an effort to prevent the United States from dominating drug patents. The Ministry of Public Health's duty is to provide data on what the short- and long-term effects of revising the drug patents will be.

Dr. Uthai said that the adverse effects include: drug prices will have a direct effect on consumers in two ways. That is, drugs will be more expensive, and when they go for medical treatment, costs will be higher. Besides this, as for dominating drug patents, this should not be made retroactive to drugs put on the market in the past or to drugs that are presently being studied or being tested with animals and humans and that are being registered in the country of the researcher but that have not yet been distributed. Besides this, the Ministry of Public Health is making preparations to adjust prices so that Thailand is not put at a disadvantage with respect to prices. This will have to be included in the revised act. The Ministry of Commerce will be the one who controls prices. The Ministry of Public Health is responsible for controlling only the prices of drugs on the national drug list even though this does not cover all drugs.

The undersecretary of public health said that those at the meeting decided to conduct a study by having Thailand produce drugs itself so that we can stand on our own feet. Thus, we won't be affected once the act has been revised and promulgated as law. For example, if this runs for 20 years, we will have eight to nine years in which we can do research. We can use this point in the negotiations. The state must view this seriously and provide financial support to make up for the loss of foreign funds. The Pharmaceutical Products Organization will play a role in conducting studies, as will the universities and private sector, which have drug research capabilities. The Ministry of Public Health will promote the production and use of principal drugs. Heavy penalties will be imposed if drug prices exceed the stipulated prices.

Amaret Discusses Attitudes on Politics

91SE0313B Bangkok DAO SIAM in Thai 15 May 91
pp 1, 8

[Excerpts] [passage omitted] Mr. Amaret Sila-on, the minister of public health, talked about the criticisms that he has betrayed the country and about someone releasing a secret letter of his. Prior to the interview, he asked the photographer from the television station not to take his picture or record the interview because he was afraid that his statements would be edited, which could lead to even greater confusion. He said that he is prepared to stop playing a role, because he is concerned that this could affect the negotiations. He told reporters at the Ministry of Commerce that if they printed his statements, they should

be careful in writing the story so that the people understand. He said that after making these statements, he planned to go and meet with Mr. Anan Panyarachun, the prime minister, in order to explain what has happened.

Mr. Amaret said that he did not want his statement on Article 301 to be published or broadcast on television but that he would say a few words about this, because this is a very confusing matter. He said that if he made a statement and reporters edited his remarks, this could make the situation even more confusing. People will not understand, and the situation could needlessly become even worse. The important point of Article 301 is that at present, the United States has now placed us on its black list. There will have to be negotiations. If the negotiations are successful, they will remove our name from the list.

If the negotiations don't succeed, they have the right to retaliate against us six to nine months from now. The extent of their retaliation will not exceed their claimed industrial losses. [passage omitted]

Mr. Amaret said that if we negotiate with someone out of fear and they negotiate from a position of confidence, it's easy to see who will win. If we negotiate at a time when we are split in our views and they are united in their views, we will definitely lose. Thus, we must put an end to the confusion, define our position, and improve our attitude. We may have to revise our position. This process began with the meeting of the undersecretaries of the five ministries last Monday. We began to revise our position. We have to discuss what our position should be and what needs to be changed. We will have time to discuss these things before they set a time for the negotiations. Once the negotiations have been scheduled, we must stipulate our final position. And before the negotiations begin, we must discuss matters with the cabinet in order to have a policy that we can use to negotiate with them. If we act in too great a rush, they will make use of that against us. No meeting has been scheduled and so if we run around talking about this, they will know what our position is. "As for what has happened, I won't discuss Article 301, because that would not benefit Thailand. The more we say, the more the United States will benefit. We don't want that to happen. As for Article 301, we must formulate a unified position on this. When we discuss this with them, we have to be certain that the Thai people are behind us on this. The newspapers have printed many stories about Article 301 and the letters."

The minister of commerce said that for people to understand what is happening and what we have gained and lost, they would have to read all the letters. By reading just this one letter and not the letters written two years ago, they won't understand what is happening. And people must read the letters that they have sent to us. That is the only way for people to understand what our position is. But printing all those letters would not be beneficial, because those who will attend the negotiations are not the ones who have been saying things. From everything that has been said, we have to clarify what our position is. That is, the data are just raw data that have not been checked. We have

to differentiate facts from personal views and determine what the position of the institute is.

Mr. Amaret also said that "my personal views and the views of the Ministry of Commerce are not the same. Unless we differentiate between these, this could cause confusion. The more that is said, the greater the confusion. If we are confused, that's no problem. It doesn't matter if exporters are confused. But I am concerned about the other side exerting pressure. Let me give you some background information on the negotiating technique used by the United States. When the United States negotiates with a country, it likes to generate confusion and exert pressure to have those in the private sector attack each other and attack the government. It wants government units to fight each other. By generating such confusion, it is the one that benefits. There is no way that we can benefit from that. Thus, after this, I will go and talk with the prime minister in order to tell him what the facts are and what our position is. The various ministries will discuss things. I hope that we can reach an agreement and stipulate a unified position for Thailand in our talks with the United States so that we are not at a disadvantage. If we help each other so that exporters don't become overly alarmed and if we take steps to prevent American importers from pressuring our exporters, that will benefit Thailand. We feel that we are smart and that we are skilled negotiators. They are negotiating with more than 50 countries, but we are negotiating with just a few countries and so how can we be more skilled than them? If we can manage to survive, that is good enough. What they are trying to do is spread rumors there that will have an impact here," said Mr. Amaret. [passage omitted]

Agriculture Minister, Party Official View Drug Patents

91SE0313C Bangkok SIAM RAT in Thai 17 May 91
pp 1, 16

[Excerpts] Mr. Anat Aphaphirom, the minister of agriculture and cooperatives, was interviewed by reporters after a meeting with NPKC [National Peace Keeping Council] advisers at the Sua Pa office on 16 May. He said that those at the meeting discussed the drug patent issue. This issue was discussed in great detail. But whether the NPKC will submit this matter to the government is another matter.

The reporter asked if this will become an international problem. Mr. Anat said that we will try to make this an international issue. We must discuss the facts. In discussing this, we can't just cite figures. We must also give reasons. But we can't become emotional in discussing this.

The reporter asked if the United States is putting pressure on Thailand on this issue. Mr. Anat said that the United States is doing this with every country, not just Thailand. That is their policy. But as far as Thailand is concerned, we have to see what our interests are. As for the interests of both countries, if we get into an argument, that won't benefit either country. Thus, we have to discuss things using reason.

Mr. Anat said that nothing was stipulated at the meeting. The Ministry of Commerce, which is directly responsible, must handle things. The reporter asked if negotiations on this will be held with the United States. The minister of agriculture and cooperatives said that there will have to be negotiations. But there shouldn't be any problem. We should be able to reach an agreement.

The reporter asked if the NPKC will provide help on this. Mr. Anat said that the NPKC is another force that can give ideas to the government, because this issue is the responsibility of the government, particularly the Ministry of Commerce. As for the negotiations, we will have to go slowly.

Mr. Ongat Khlamphaibun, the deputy spokesman for the Democrat Party and the former secretary to the minister of public health, talked with reporters about revising drug patents. He said that this is not the time to revise patents, particularly the drug patents, because Thailand is not prepared. As for other issues, such as the issue of video tapes, tape recordings, and movies, Thailand can avoid things for now. That would affect certain groups only. But the drug issue will affect almost everyone in the country, because the people won't have any choice in making purchases. [passage omitted]

The deputy spokesman for the Democrat Party said that every year, large numbers of people die from diseases and injuries. If the price of drugs goes up, the state will not be able to provide additional medical services everywhere. There will be only limited budget funds available for public health expenses at a time when drug prices are rising. [passage omitted]

Mr. Ongat said that the Ministry of Commerce and the government have cited Article 301 as their excuse for revising the patent Act in accord with the wishes of the United States. But why doesn't the government look for other markets. Because trade markets are not limited to the United States alone. Also, the United States warned us about this a long time ago. It's the government's fault for not taking steps to deal with this problem. [passage omitted]

Further Comment on IPR Enforcement

91SE0313D Bangkok NAEON in Thai 23 May 91 p 3

[Excerpt] Police Colonel Wanlop Watnaphukka, the deputy commander of the Economic and Financial Crime Control Center, said that the Committee To Discuss and Negotiate the Problem of Intellectual Property Rights [IPR] Violations with the United States held a meeting on 21 May. This committee is chaired by Mr. Kroekkrai Chiraphaet, the deputy undersecretary of commerce. Committee members include representatives from the Police Department, the Department of Trade, the Department of Public Prosecutions, the Fine Arts Department, the Ministry of Foreign Affairs, and the Department of Business Economics and legal experts from the Ministry of Commerce.

Police Colonel Wanlop said that those at the meeting summarized the results of the actions taken since the United States charged Thailand with not being concerned about suppressing IPR violations. The Police Department has not ignored this matter. It has constantly taken steps to suppress violators. But because no one has filed a complaint, the Police Department can't take action. The Police Department has informed the United States of this.

As for those who violate intellectual property rights, Col. Wanlop said that during the period 28 March-17 May 1991, 19 people were arrested on charges of violating tape recording rights, nine people were arrested for violating video tape rights, almost 300 people were arrested for selling goods with bogus trademarks.

Police Col. Wanlop said that at this meeting, the committee passed a resolution to have the Police Department continue taking resolute steps to suppress those who violate intellectual property rights. [passage omitted]

PERMSEC Kroekkrai on 301 Action

91SE0313E Bangkok SIAM RAT in Thai 24 May 91 p 8

[Excerpt] [passage omitted] During a debate on the Thai-U.S. trade and Article 301 problems, Mr. Kroekkrai Chiraphaet, the deputy undersecretary of commerce, said that Article 301 has been an issue for a long time and that he has discussed this many times. We are now waiting to hold negotiations on this. The United States is using Article 301 as a tool in an effort to solve its trade deficit. Each year, the trade deficit of the United States is approximately 200 billion baht. Because of this, the United States is trying to take such action against various countries. As for people's attitude about the negotiations, several factions have charged that the ministry is selling the country or that it has secret intentions. But the truth is, we do not have any secret intentions. But we have not disclosed everything, because we believe that we are doing what is right. If we revealed things, that would affect our negotiating position and put us at a disadvantage.

A reporter asked what export goods will be affected if the negotiations fail. Mr. Kroekkrai said, "I don't know. I can't say which exports will be affected. All I can say is that of the more than 10 main items exported to the United States, if the United States retaliates against us, some of those goods will definitely be affected. But the United States will first have to determine what they will lose by retaliating against specific items. For example, if they retaliate against clothing and textiles, they will lose, too, because Thailand imports approximately 20 percent of its cotton from the United States."

Another item about which the United States has threatened Thailand is services, such as banking and insurance services. The United States is trying to pressure Thailand into opening up its markets. Such services are one of the items that will be discussed at the GATT meeting. Thailand must wait to see what the results of the GATT talks are. That will give us a basis for negotiating with the United States, said Mr. Kroekkrai.

Mr. Yuk Na Thalang, the former president of the Thai Chamber of Commerce, said that if the United States retaliates against Thailand using Article 301, the United States will set up tariff barriers or limit import quotas. That would affect Thailand on various fronts, particularly on the labor front. He said that he is very concerned about this, because unemployment here would increase.

Police Discuss Property Rights Enforcement

91SE0295A Bangkok BAN MUANG in Thai 6 Jun 91 p 3

[Unattributed report: "Groups Violating Intellectual Property Rights Arrested"]

[Text] At the National Police Department at 1430 hours on 3 June, Police Major General Wathin Khamsong, the Commander of the Division for Alien Registration and Taxes, announced to the media that his unit had organized a team to protect intellectual property rights which had the power to investigate and arrest. It had also organized a team to coordinate operations with the Bank of Thailand and the Commercial Bank; this team was to work with these banks in investigating their connections with crime. In addition, a team was set up to advise those involved in economic activities to help them avoid inadvertently violating the law, for example by importing or exporting without paying duties. This was done to prevent crimes with greater efficiency.

Police Colonel Wanlop Watnaphukka, the Deputy Commander of the Division of Alien Registration and Taxes, which was responsible for arresting those violating intellectual property rights, said that Thailand had three laws on crimes against intellectual property rights. Under the law protecting trademarks, about 100 criminals were arrested per month. Persons filed complaints under the copyright law starting in early April 1991 and arrests were made. By the end of May 1991, 10 arrests had been made and 10 persons charged in videotape copyright violations. In addition, contraband had been seized. The cases are being tried.

In investigations and arrests made for videotape copyright violations, other violations were found at almost every site, such as tapes which had been sold or rented but which had not been inspected according to the law. Obscene tapes were also found which were for sale or rent. These investigations revealed that there were six cases in which people had engaged in large-scale copyright violations. Generally, these violations involved videotapes of movies from the United States and Hong Kong.

Police Colonel Wanlop said that with regard to audiotape copyright violations, since April and May of 1991 they had arrested 19 criminals and they have been charged. From their investigations, they learned that there were eight persons involved in large-scale audiotape production in violation of copyrights. The music copyrights generally violated were those of the United States and Europe. Foreign countries are still not satisfied with our arrests but this was the fault of our laws. These were crimes which could be settled by mediation out of court and so someone had to bring charges before a person could be arrested.

That was why we had arrested so few. However, because of arrests during the past two months, many owners of such businesses have ceased their operations and foreign videotapes and audiotapes have vanished from the market. Violators have joined together to ask officials of the Division of Alien Registration to be intermediaries in discussions for purchasing copyrights legally from their owners. The discussions were underway.

No one has brought charges regarding patents and so no one has been arrested. With regard to patents, the law protects inventions but does not protect drug formulas. "A drug formula cannot be registered. Therefore there is no law to protect them and no action can be taken in this regard," Police Colonel Wanlop said.

Writer Comments on Copyright Issues, Article 301

91SE0266A Bangkok KHAO PHISET in Thai
6-12 May 91 pp 60-61

[Unattributed report: "When the Americans Demand Their Rights, Translated Books May Be More Expensive"]

[Text] The announcement that Article 301 would be used against Thailand sent shock waves far and wide although books constitute only a small market which has been growing slowly according developed countries' standards, and the administration has not been interested in this industry.

This announcement will clearly affect the right to translate works into Thai and distribute them. A regular market for translated works would grow if some Thai authors continue to simply repeating standard Thai plots.

Thanit Thammasutti, the Chairman of the Writers' Association, was a professional translator who had sold well since "Papillon" and "Godfather," on up to "Mang-kromta", which is on the market now. He says: "The announcement that Article 301 would be applied and that copyright laws will be strictly enforced will not have a great effect on novels being translated because translators are paying copyright fees every day. It is not expensive because the number of copies printed is small, except for textbooks which might involve larger printings."

He pointed out that the effect would be greater on audiotapes, videotapes, computer software, and patents because those markets are large and very lucrative. "In the short run there will not be much effect, but in the long run, we may have to obey the copyright laws; we will probably get in trouble if we do not."

Siwit Khaoplot, a translator of adventure novels, was another person who offered an opinion on copyrights over which the United States has threatened us three times a day with Article 301: it was something which the United States has wanted to do for a long time. What the United States was really concerned about involved tapes, videos, and computers more than the copyrights of books, because not many books were printed in Thailand. It would not be worth the cost of the copyright they would get. "The total number of translations printed in Thailand is at most two

to three thousand copies. This is minor when one calculates that 10 percent of this total is only a few thousand dollars. This is very different from the total copies printed in their country, which amounts to tens or hundreds of thousands."

If the United States really wanted this and the Thai Government agreed, then Suwit thought that it would not be a problem for him. "I will be okay because I have prepared an escape route." He has a way to make money, even if he has to pay the copyright fee. He is accepting applications for membership of which he has about 2,000 members. He feels that this is a mechanism to protect against losses which would occur when sales declined after the prices of books went up as a result of copyright fees being paid. For example, Suwit had to pay copyright fees of 50,000 for the book *It*. He thought that it was worth it because although the price of the book would be higher, the readers would probably be as numerous as ever.

When the news came out that Suwit was buying copyrights to prevent other translations, a translator who had set up a publishing office said: "Repeated translations make the books interesting. I am judging this by the books which sold the best such as the book, 'Phayabat.' It was translated repeatedly, but our copies sold out 100 percent because readers became interested to find out why the book was translated by so many people. That was very satisfying, but now I am afraid that no one dares to compete with me."

When a copyright law is adopted, Suwit should certainly not be concerned because he had been in this business a long time and was very popular. He had also changed [his place] into a book store, which provided a share of income and expenses. However translators who were just starting or who did not have funds, Suwit thought, would certainly not be successful now because if he was being hurt, how would the others be. "I am like the top of the pyramid - if the water reaches the top, those at the base would have to be wiped out. Respecting the rights of others is good, but we have to consider whether it will starve us to death or not." Suwit left us with that thought.

Nida, a woman who translated romantic novels, offered this opinion about copyrights: the administration should handle it. If the United States really used Article 301 against us, it might affect readers, but she thought that the United States was not really serious about copyrights in Thailand because the total printed in Thailand was quite small compared with its population of 50 million.

Nida did not think that she personally would be affected by this situation because she had switched from translating books from the United States to translating books from England, and there were many English books which had not been translated. "If it gets too difficult, I will not translate. For someone at my age who has translated 75 books, it will not matter if I stop. At this point I am proud of my work. The reason I still do it is because I love it."

In any case Nida felt that we should respect the copyrights of others. Things such as copying the covers of textbooks or putting the names which went with it in English were

not appropriate. "Formerly in the Writer's Association we were advised not to do anything to challenge them so much that they would react. Why don't we think it is proper to respect them?" For example when she started out, Nida translated a book about Marie Antoinette, and she asked permission from the publisher. That was 20 years ago.

"The saying that doing what you want is the Thai way is actually not true because the Thai are by nature considerate. We have done something wrong, and if the United States acts, it is their right." This was what Nida, a translator who has been translating for two decades, thought was right.

In the opinion of these three famous translators, the translating market would not be hurt much, and everyone was prepared to do what was right according to the law. The consumer might have to pay a little more for books, but the bookworms were ready. They knew many good books and had a broad world view.

EC Trade, Ex-Im Bank Issues Discussed

91SE0259C Bangkok *MATICHON* in Thai 19 Apr 91 p 4

[Excerpt] [passage omitted] A report from the Ministry of Commerce revealed that Mr. Phachon Itsarasena Na Ayuthaya, the Undersecretary of Commerce, was looking for a way to address the dispute caused when the European Community (EC) started collecting higher tariffs on boneless chicken from Thailand, Brazil and Hungary on 22 March. The options were as follows: 1. Call on the exporters to come to an understanding not to cut prices so that the export price of chicken meat would not fall too low; 2. Call on EC officials to hold discussions or to have commercial advisers in Brussels hold discussions; 3. Complain to GATT that the EC was obstructing imports from Thailand.

The report stated that these options were developed when Mr. Amret Sinla-on, the Minister of Commerce, instructed that we should respond to the EC because in the past the United States had complained to GATT and gotten results.

Mr. Panya Chotithewan, the Chairman of the Saha Farm Company, said that those raising chickens for export were waiting to see the position Hungary and Brazil took on this problem. It was expected that they would know in three months. They themselves were considering hiring a lobbyist to handle the problem with the EC. It was not thought that the problem would affect the Thai chicken business very much but would cause the price in the EC to fall \$300 to \$400 per ton to about \$2,600 per ton. In any case the Japanese market, which was important, was improving because the United States, which had been sending chicken meat to Japan, had reduced the amount sent to Japan in order to send it to Russia. As a result the price of Thai chicken improved in the Japanese market.

Mr. Aphisit Wetchachiwa, a Professor of Economics at Thammasat University and Chairman of the Committee for Education on Patent Rights, said that he had tried to get in touch with the Prime Minister and the Minister of Commerce to recommend that they consider redrafting the law on patent rights of 1979 completely. The committee recommended that there be a clause specifying a time period after the law was drafted of five to 10 years for those affected to adapt to the law before it took effect.

Pridiyathra Thewakun (MR) [Royal Title], the secretary to the commission studying setting up an export-import institution (an ex-im bank), said at the end of a meeting of the commission that Mr. Wiraphong Ramangkun, the Assistant Ministry of Finance, as chairman strongly urged that a law be drafted setting up this import-export institution before 12 May. The government would hold 100 percent of the shares, and representatives from the Ministries of Commerce, Industry, Agriculture and Cooperatives, Foreign Affairs, Finance, and the Bank of Thailand would be members. This institution would support exporters, would work to prevent exporters from suffering from unfair competition and would provide credit for purchasing countries which had financial problems. Beijing Credit would not be ended immediately but would gradually be modified.

Finance Minister Worried Over Private Sector External Debt

91SE0296C Bangkok *THE NATION* in English 3 May 91 p b1

[Article by Usanee Wongsawat]

[Excerpt] Finance Minister Suthee Singhasaneh yesterday expressed concern over the growing external debt in the private sector, saying the ministry was studying the problem and what could be done.

He said while the public sector's foreign debt was US\$11.8 billion and US\$11.5 billion in 1989 and 1990 respectively, the private sector's external borrowings grew from US\$7.6 billion to US\$13.4 billion during this period.

He noted that last year's private sector external debt was US\$11.6 billion in US dollars and the equivalent of US\$831 million in Japanese yen.

The trend showed that either the private sector was anticipating that the value of the yen would appreciate, or that yen loans were difficult to obtain.

While saying that the large private sector external debt had helped to create more financial liquidity and lower interest rates, it was running counter to the monetary policy of trying to keep down inflation.

He referred to two different policies being conducted in the US and Germany. The US is lowering interest rates, to try and boost the economy while Germany has adopted tighter monetary policy to curtail inflation. [Passage omitted]

POLITICAL**Congresses Discuss Party Building Work**

912E0202A Hanoi NHAN DAN in Vietnamese
24 May 91 p 3

[Article by Le Huyen Thong]

[Text] The various echelon party organization congresses being held in almost all the provinces and cities are discussing the problem of party building. There are three main views on the evaluation of this work. First, the majority think that party building has contributed to renovation and that attention is now being focused on intellectual capabilities in training and using cadres. Second, many think that the draft documents have not properly evaluated the weaknesses of our ranks of party members in switching to a market mechanism. Third, a number have stressed that party building is loose and that it has not been given enough attention since the sixth congress. What is the truth? The difficult thing is how to correctly evaluate the actual situation?

How To Evaluate the Situation?

The party congresses in many provinces, in Hanoi and Haiphong cities, and at central organizations have said that to evaluate party building work during the past four years, this must be viewed within the context of an international situation that has undergone complex changes and a situation in which our country is experiencing a serious socioeconomic crisis. The enemy forces are looking for ways to negate the leadership role of the party and cause disorder as has happened in a number of countries.

Only if this is understood clearly can we properly evaluate the very important initial achievements in renovating the economy, stabilizing the political situation, and maintaining national defense and security. Everyone realizes that in the face of the new challenges, the majority of the party members, among whom the activists are the key ranks at the various echelons, have manifested good political quality and resolutely implemented the party's renovation line. Why is this? Can it be that the country's achievements in renovation have nothing to do with party building? Many ideas expressed at the central agency party organizations on ideological work and at the congress held in Ha Son Binh said that recognizing the renovation achievements but denying the results of party building work is like separating the cause from the effect. This is not in accord with the laws of development of mass movements in conditions in which the party holds power. In reality, the achievements of party building are both the cause and the effect of renovation. This is a process of gradually implementing the renovation line of the sixth congress.

From the evaluation method mentioned above, the various echelon party organization congresses, including the all-military and central public security congresses, affirmed that during the past four years, party building has contributed to renovating thinking, especially economic thinking, and begun to form a system of viewpoints and

guiding principles. Through the discussions at the various echelon party organization congresses (round 1), it was seen that the intellectual standards and practical knowledge of the majority of party members have improved as compared with before. Many comrades have gained a correct understanding concerning socialism, the initial path during the transitional period, the policy on a multi-faceted commodity economy that operates based on a market mechanism under the control of the state, and the expansion of relations with other countries. Many of society's older habits and ways of thinking are changing quickly in line with the renovation of thinking, particularly from within the party.

Since the sixth congress, the CPV [Communist Party of Vietnam] Central Committee has implemented many renovation policies on cadre ideological and organizational work and on mass movements. CPV Central Committee resolutions 5, 7, 8b, 9, and 10 have been implemented, put party building on the right track, and marked the party's growth with respect to theoretical thinking in connection with practical activities. The process of implementing these resolutions is a process of expanding democracy in the party and leading the implementation of democracy throughout society. The democratic activities have contributed to stimulating the need to elevate the vanguard role of the party concerning intelligence and maintain the ownership rights of the people. The intellectual products of the collective, which are concretely manifested in the policies, resolutions, and positions of the party and state, have been formed in the process of holding democratic discussions and in obtaining the ideas of the people. The mass information organizations and the cultural and arts and letters activities have contributed to varying ideological work and to creating an atmosphere of democracy in the party and in society. This is clearly manifested in the spirit of criticism and self-criticism of the leadership at all echelons. Also, investigations have been conducted to see if the party members are implementing the party's statutes, and campaigns have been carried on to purify the party and increase the combat strength of the ranks of party members. During the past four years, the party has disciplined 206,181 party members. Of these, more than 78,000 had to be expelled from the party using appropriate forms. Consolidation has gone hand in hand with development. During the past four years, 303,237 new party members have been recruited into the party, of whom 68.4 percent were members of the Ho Chi Minh Communist Youth Union. Many people said that these results are just the beginning, but clearly, the party has resolutely reorganized the party based on the need to purify the party's ranks, improve the intellectual capabilities and combat strength of the party organizations, and, through this, strengthen the close relationship with the masses.

Discussion on the Basic Cause

Along with affirming the achievements and positive changes as mentioned above, many people at the various echelon party organization congresses agreed with the

draft documents in their evaluation of the weaknesses and shortcomings of party building work since the sixth congress. These include:

The level of knowledge of the party and its leadership capabilities are still poor, and this has not changed in keeping with the renovation requirements. The party's leadership contents and methods have not been renovated in a timely manner, the organizational structure still has many irrational aspects, and the apparatus is very cumbersome and ineffective. Democracy within the party is limited, and discipline is weak. The will to struggle of many party members has declined, and some party members have become degraded, corrupt, and remote from the people. Their actions have seriously reduced the party's prestige.

A major question in party building to which the congresses gave much attention is, "Why is cadre organization still the basic cause? This question was discussed vigorously, and there were two different tendencies.

First, many people said that the four years of renovating the economy and stabilizing politics stems from renovating the various echelons and various sector cadres, reorganizing things, reducing the size of the staff, and eliminating a number of middle elements. Those who held this view mentioned the results of cadre work during the period 1987-1990. Almost 68 percent of the ministers and vice ministers and heads of ministerial-level agencies, 80 percent of the central echelon department heads, four cadres in charge of mass organizations, 17 party committee secretaries, and 27 chairman of provincial and municipal people's committees were replaced. In the banking sector, in just a short period of time the director general and three deputy directors general were replaced. This does not include the 4,000 high-level cadres in party, state, and military organizations who retired. Many people observed that the change in key leadership cadres at the various echelons during the past period has been very great. These people also affirmed that cadre work still has many shortcomings. Even though the ranks of cadres have changed, quality has not improved. Many delegates from the Ho Chi Minh City party organization and from central organizations said that the party has not formulated a "cadre strategy" in accord with the renovation requirements. The country is switching to a market mechanism, but the ranks of cadres have not been prepared. In particular, they have not been given training concerning technical projects or trading markets, and they don't understand how to manage commercial activities using money when there is competition among the economic elements. Many of the delegates at the Ha Son Binh, Hanoi, Quang Nam-Danang, and Ha Nam Ninh party organization congresses stressed that one of the shortcomings in cadre work is that things have not been foreseen correctly, and the cadres have not been enabled to clearly see the "opposite side" of the market mechanism. Along with stimulating the expansion of production, the market economy has also given rise to negative phenomena in the process of competition and elimination. When market relations were freed, economic

motives manifested results. But at the same time, individuals began engaging in illegal activities for personal profit. People began committing fraud and other serious crimes and were prepared to trample on conscience and dignity. The reality in many places was that after switching to a market mechanism, cadre weaknesses were exposed in four forms: They were confused by the new mechanism, and many cadres were fooled. Many people fell victim to the corruptive power of money. Many cadres became passive and could not promptly satisfy the demands of the new situation. Finally, many cadres still carried the marks of the old mechanism.

Second, a number of people from many party organizations said that the existing economic and social weaknesses all stem from the fact that cadre work has many shortcomings. A number of delegates at the Hanoi municipal party organization congress and at central agency congresses stressed that because of right-wing deviations and sluggishness, cadre organization work has changed very little, if at all. Negative phenomena among party members and cadres continue to expand, but this has not been dealt with resolutely and there are few mechanisms to block these things. A number of delegates stressed that renovating the cadres must start from renovating organization and those who serve as the staff for the party in this work. Local thinking, prejudice, narrow-minded thinking, and the lack of democracy in cadre work must be overcome. Some people denied the achievements of cadre work and said that major changes should be made.

Many other people disagreed with this view and said that there is an opposite side to everything and that all achievements have a cost. The important thing is that there must be a concrete historical viewpoint and a development viewpoint in order to evaluate cadre work. In switching from a bureaucratic centralism-state subsidies mechanism, which existed for a long time, to a market mechanism, it will be difficult to avoid making mistakes, and the price of its weaknesses may be high.

The party organization congresses in Hanoi and the central organizations suggested that a policy soon be formulated and that there be a mechanism to assemble ranks of intellectuals and select and use people of talent without making a distinction between cadres who are in the party and those who are outside the party or between cadres who have come from different sources. This means that people must be retrained in order to build a rank of cadres in accord with a market economy. Above all, the entire cadre training system and all the training regulations in the country must be reformed. The localities proposed that the party soon implement a policy on formulating a state program that can be used to quickly retrain the large numbers of people involved in business management activities at the enterprises and the macrocosmic economic management cadres and civil servants of the state organizations. We must strive to have people attend training programs abroad, including in the capitalist countries. Cadre work must give attention to training ranks of businessmen skilled in import-export activities and in trading with other countries.

As many party organization congresses affirmed, party building in the new situation must regularly undergo self-renovation. The party must be reorganized, the working class nature and vanguard character of the party members must be strengthened, and the party must be strengthened politically, ideologically, and organizationally. The leading problem is to continue implementing democracy from within the party, strengthen solidarity, maintain discipline, continue to renovate thinking, and raise the intellectual standards of the party. Many people stressed that party building must be tied to renovating the economic and social management mechanism, reforming the state apparatus, renovating mass mobilization, implementing the social policies, and dealing appropriately with negative phenomena. In particular, those who have been found to be involved in corruption must be dealt with immediately and resolutely. The decisive thing is to mobilize all the people to participate in party building and ensure that our party—the vanguard unit of the working class and the representative of the true interests of the working class, laboring people, and all people—fulfills its historical mission. That is both cause and effect in the socialist-oriented renovation movement.

ECONOMIC

Conference Held on Party Work at State Enterprises
912E0206A Hanoi NHAN DAN in Vietnamese 12 Jun 91
p 3

[Article by Pham Van Khanh]

[Text] Now that the economy is operating based on a market mechanism under the control of the state, a major problem is that most of the party organizations in the state economic units have encountered many difficulties, and they are confused about the operations contents and formulas.

How should the role of the primary level party organizations be manifested to keep leadership strong without encroaching on or replacing the director?

In order to find an answer to this question, the Central Agricultural Party Committee, together with the NHAN DAN Party Building Committee, organized a conference on party organization and party members in the state-operated agricultural enterprises.

Almost 40 delegates attended the conference. These included council secretaries and chairmen and the directors of a number of enterprises in the central agricultural sector. Nguyen Tien Trinh, a member of the CPV [Communist Party of Vietnam] Central Committee and the minister of marine products, and representatives from the Ideology and Culture Department of the Central Committee and from the Organization Department of the Central Committee also attended the conference.

The State Agricultural Economy in the Market Mechanism and the Need To Renovate Party Building

Almost all of the people present said that since the party decided to switch the activities of the primary level state-operated units to socialist economic accounting and renovate state economic management, the operations of the state agricultural economic units have clearly changed. Many enterprises have manifested the integrated strength of the new mechanism, gradually overcome the difficulties, carried on operations effectively, made large contributions to the state budget, improved the lives of the cadres, workers, and personnel, and made positive contributions to stabilizing the markets and satisfying the consumer needs of society and exports. But there are many other enterprises that have suffered losses and wasted the assets of the state. They do not have work, the cadres and workers have encountered many difficulties in their lives, there is internal disorder, and the directors and secretaries have turned their backs on each other.

Ha Hoc Hoi, the secretary of the Central Organization for Ideological Work party organization said that today, about 40 percent of the state economic bases are suffering losses. Thus, the question is, What can be done to ensure that the state economy plays a guiding role?

Deputy Party Committee Secretary Pham Van Tho, the director of the Joint Marine Products Export Enterprise, said that the view affirming the guiding role of the state economy in the multifaceted economic structure is entirely correct. During the past years of renovation, many state economic enterprises have made a profit. Their activities should be reviewed in order to learn useful lessons. The problem is that the party's positions and policies must be renovated in a synchronized manner and turned into law in order to ensure that the state enterprises operate effectively. To do this, laborers must clearly understand their position in the enterprises. That is, they must understand that they are owners and not hired workers. Furthermore, the theoretical, economic management, professional, and scientific and technical knowledge of the cadres, party members, workers, and employees must be increased.

Tran Dang Khoa, a member of the standing committee of the Ministry of Forestry Party Committee, mentioned the important initial results that have been achieved in renovating economic management in the forestry sector. However, renovation of the economy still isn't in harmony with renovation of the party's leadership. With respect to the state enterprises, Decision 217 is the legal basis that gives independence to the bases and directors. If the party had a similar directive to give leadership rights to the party organizations within the Decision 217 mechanism, that would be very favorable for party work at the bases.

How Can the Leadership Capabilities of the Party Base Organizations and the Quality of the Party Members Be Improved?

Based on the realities of guiding, leading, and managing production and business, Tran Ngoc Canh, the secretary of the Ministry of Agriculture and Ministry of Food Industry

party organization, Nguyen Tien Luan, the secretary of the Marine Products Machinery Corporation party chapter, Tu Kien, the secretary of the Agricultural Materials General Corporation, and Ha Van Cong, the secretary of the Marine Products Machine Design Corporation party chapter, affirmed that more than ever before, in conditions in which the economy is switching to a market mechanism, the party must maintain the leadership role of the party organizations and the position of the party members in the state enterprises. However, this means that we must renovate the operating contents and methods of the party base organizations and party members.

Tran Dang Khoa said that to renovate party work at the bases, things must first be renovated at the macrocosmic level, moving from the general to the individual. He proposed that the central committee soon issue documents clearly stipulating the functions and tasks of the party base organizations in the units and state enterprises in accord with the new economic management mechanism. The functional organizations must become deeply involved with the bases, review the practices, and avoid altering the old documents that are long and that lack unity. The central echelon must quickly unify the guidance organizations and centers of the party organizations and mass organizations in the state agricultural system, including names, roles, functions, tasks, relations between levels, sectors, and territories, with the goal being to improve leadership capabilities and achieve results for production, business, and the lives of the laborers.

A number of comrades said that in conditions in which the state has issued only one legal norm to the enterprises, which is to make contributions to the budget, and in which the directors are the people with the greatest power, the leadership role of the party organizations is to thoroughly understand the lines and policies of the party, rely on the situation at the bases to examine and approve the policies and tasks of the bases, and ensure that the resolutions of the party and the laws of the state are implemented strictly.

But Pham Van Tho said that the leadership role of the party organizations in the enterprises is manifested in the following: They must put forth production and business policies and measures, mobilize the masses and party members to carry out the political tasks, and build a working relationship with the directors and, together with them, be responsible to higher echelons and to the cadres, workers, and employees for the successes and failures of the enterprise. They must give attention to building ranks of cadres, from finding, evaluating, training, and employing cadres. Democracy must be manifested in party activities. Together with the authorities and mass organizations, the party organizations must conduct inspections and carry out the other important tasks of the unit.

Nguyen Kim Phong, the general director of the Tea Federation and chairman of the federation's secretarial council, Le Bich, Tu Kien, and Tran Ngoc Canh emphasized the very important role of party secretaries in maintaining the leadership role of the party organizations and improving the leadership capabilities of the party organizations and the quality of party members. Agreeing with

this, Nguyen Kim Phong said that if the party wants to lead, secretaries and party members must have good moral qualities and set an example, show solidarity, and make use of the talents of each person. Le Bich stressed that the new requirements for secretaries are to increase their intellectual capabilities, know how to managing things, and have knowledge about business matters in a market economy. This means that attention must be given to retraining the ranks of party cadres, particularly the party committee secretaries. There must be a suitable compensation system for cadres who do party work at the bases.

As for improving the quality of party members, many people said that although there are large numbers of party members, the party is weak. Nguyen Tien Trinh said that if so-called "average" party members account for 50-60 percent of all party members, how can the leadership quality of the party be improved? Nguyen Tien Luan said that the working class nature and vanguard character of party members must be strengthened in the new period. Attention must be given to training and inspecting party members, particularly those party members who have become degraded and who no longer manifest an effect. There must be suitable measures and forms to expel people who lack sufficient qualifications. The party should admit only people who are truly worthy of being called communist party members, who are "politically excellent and technically skilled, who have morals and good qualities, and who enjoy the trust of the masses."

Should the Party Be Organized by Sector or Territory, and What Should Be the Relationship Between the directors and the Secretaries at the Enterprises in the New Mechanism?

The question is whether the party should be organized by sector or territory in view of the fact that the units are scattered throughout the country. The sectors guide the specialized work, make decisions about the political tasks, and employ cadres for the units and enterprises while the party organizations that have leadership functions are subordinate to localities and engage only in party work. This is the situation at the coffee and tea federations and the Agricultural Materials General Corporation.

What should be done about this? Nguyen Kim Phong said that in 1983, the Tea Federation established a liaison committee of the general director with party committee secretaries. This was later approved by the Organization Department and the Central Agricultural Party Committee. A council of party committee secretaries from enterprises subordinate to the Tea Federation was formed. The council of secretaries is not an advisory organization to the general director but a leadership organization that, together with the general director, makes decisions about important problems having to do with the policies and measures of the sector in commercial production and cadre work. As for localities with economic installations located in their territory, the secretary councils of the sectors have a very close relationship with the localities. Because of this, there is mutual understanding and mutual help between the sectors and primary level economic units

and the cadres, people, party organizations, and authorities in the localities. Through the secretary councils, party work has begun to achieve practical results with respect to the production and business tasks of the sectors and stabilize and gradually improve the lives of the cadres, workers, and employees. Because there is equality between the directors and party committee secretaries in terms of responsibilities and powers, at many enterprises they are not turning their backs on each other. This has generated solidarity, with a feeling of shared responsibility for the successes and failures of the unit. Those engaged in party work here feel more at ease, and together with the directors, they are concentrating on the common work.

Concerning the relationship between the directors and the party committee secretaries in the enterprises when the change was made to a market mechanism, Nguyen The Anh, the general director of the Marine Products Breeding Corporation, and a number of other people said that in implementing Decision 217, some places have done a good job and others haven't. But they affirmed that Decision 217 has not "pushed the party out." Such a view is contrary to the spirit of the party's resolution on renovating the economic management mechanism with respect to state economic units. The Ministry of Marine Production party organization secretary asked Anh, If the director is not a party member, how can the party's resolutions be implemented in the enterprises?

Anh responded by saying that if the party committee secretaries are not skilled in both technical and managerial aspects, there will be problems. We have a number of directors who are not party members. When the party committee issues a resolution, we disseminate it to the party chapters and directors. After that, debates and inspections are held. On the other hand, the technical plans and measures of the directors are discussed and an agreement is reached with the party committee secretaries. In the present situation, there is nothing unusual about the fact that directors are not party members. But for those engaged in party work, this must be regarded as a transitional step. The problem is that the party must give attention to developing the party with respect to people. Because there may be many good party members who are not qualified to serve as directors in the market mechanism. But if a state enterprise director is an excellent director, the party organization there can create the conditions for training him so he can soon become a party member. The responsibility for this belongs to the party committee secretary and those engaged in party and cadre work.

At the conference, many comprehensive ideas were discussed concerning party work at the bases. This was the first conference of the central agricultural sector party organization on a major topic. Many problems were raised, problems that must continue to be considered and discussed. One thing on which the delegates agreed was that more than ever before, at a time when the economic management mechanism is changing, party leadership must be strengthened. The results of party work stem mainly from carrying out the political tasks of the units.

Along with renovating the leadership contents and methods, the decisive problem is still specific people. From the secretaries and directors to the party members, everyone must be intelligent and have leadership and economic management capabilities and good moral qualities.

Official on Sudden Increase in Exchange Rate

912E0204A Hanoi Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 8 Jun 91 pp 1, 3

[Interview with Nguyen Duy Lo, deputy director general of the Vietnam Foreign Trade Bank, by Le Tien Tuyen; place and date not given]

[Text] [editor's note] Since the establishment of a market economy, those in production and business circles have paid close attention to the price of goods on the markets, particularly the price of gold and the dollar. They have followed prices daily and even hourly in order to prevent losses and avoid missing an opportunity. In recent weeks, the price of gold and foreign currencies, particularly the dollar, has fluctuated constantly. The price of the dollar has risen in line with the price of gold, and a number of other goods have risen in price, with the result that the banks have not been able to hold hard currencies to support the essential needs of the economy. We talked with Nguyen Duy Lo, the deputy director general of the Vietnam Foreign Trade Bank and the director of the Municipal Foreign Trade Bank (VIETCOMBANK), about a number of problems related to this "current" topic. [end editor's note]

[Reporter] The price of the dollar has increased constantly, and there is no indication that this will stop. In your view, what is the main reason for this, and what measures must the state implement? Can we continue to let things drift like this?

[Lo] It must be admitted that during the first several months of this year, the dollar exchange rate on the black market has fluctuated constantly, and in recent days, it has fluctuated abnormally. The Vietnamese dong has declined in value very rapidly as compared with the American dollar and as compared with the change in prices of commodities and services on social markets. There are many influencing factors that have been mentioned by many people, such as the pursuit of dollars in order to engage in smuggling and in order to pay debts currently due. In my view, this is not really in line with the present situation. The antismuggling policy has manifested initial results. Smuggling is no longer being carried on "openly and everywhere" as before and it is no longer necessary to spend as much foreign currency and gold as before. More and more banks have been given permission to trade in foreign currencies. There is not just one bank that has a monopoly on foreign trade as in the past. These banks are doing a better and better job of satisfying the foreign currency needs of the producers. Thus, why has the value of the dollar continued to change so quickly? I have evidence showing that the main reason why the value of the dollar today is increasing so rapidly is that a number of

organizations and individuals are speculating in foreign currencies and smuggling currency out of the country. We have discovered a few centers and turned them over to the agencies responsible to clarify things. That will take time, but the reason for the above situation is that we are still too lax in controlling foreign exchange. In order to stabilize exchange rates and enable the commercial banks to buy and sell foreign currency as usual, we must strengthen and perfect the foreign exchange control mechanism using the following urgent measures:

The time has come to eliminate the use of foreign currency, American dollars, in settling accounts among domestic economic units even if these payments are made through the banks. We must immediately put a stop to the situation in which economic units buy and sell currencies at favorable rates of exchange. In particular, the economic units must be stopped from buying foreign currencies on the markets and using the present system, which allows them to put currency into the banks regardless of the source and then transfer money out of the country.

Things must be reorganized so that the economic units do not have such a broad scope within which they can directly receive foreign cash paid by customers for goods and services. The settlement of foreign currency receipts and expenditures with other countries for goods and services must be reorganized. Most settlement services must be handled through authorized banks.

Foreign currency payments in importing commodities must be tightly controlled, and taking foreign loans using various forms must be reorganized. It must be ensured that the loans are used to generate high socioeconomic results, and the sources of currency to repay the debts on time must be clearly determined. These are urgent matters that are manifested in the actions of the central control mechanism that has declared war on smuggling and the other negative activities on the currency black market in an effort to ensure the successful implementation of the economic measures. Many researchers and reporters have been talking about this problem for a long time.

[Reporter] Many corporation directors have complained that they need foreign currency in order to import items to support production but that they can't purchase this at the Municipal Foreign Trade Bank and so much purchase it on the outside. What is the truth about this and what measures will be implemented to solve this problem?

[Lo] Since 1990, in Ho Chi Minh City the Municipal Foreign Trade Bank has not had a monopoly on the buying and selling of freely convertible currencies as it did during the state subsidies period. The state bank has authorized a number of other commercial banks to engage in this, too, such as the Ho Chi Minh City Industrial-Commercial Bank, or INCOMBANK, the Saigon Industrial-Commercial Bank, or Saigon Bank, the Vietnam Export-Import Bank, or EXIMBANK, the Dai Nam Bank, and, most recently, the Vietnam-Indonesia-Indovina Bank. These banks can buy foreign currency, but at the same time they are responsible for selling currency to support the needs.

To date, we have not organized an exchange market. Also, the state bank has not clearly defined the responsibilities of each of the commercial banks mentioned above in supplying and selling currencies to satisfy the needs of the sectors and localities. Along with this, the mechanism for buying and selling currency through the banks is "incomplete." This is because the state still allows units to transfer and trade currency with each other (even though these are bank transferable currencies). Thus, the amount of foreign currency that the Foreign Trade Bank and the other banks that have been authorized to trade in foreign currencies have bought is quite small. Because of this, the banks in the city have not been able to satisfy the currency needs of the units. However, clearly recognizing our responsibility as a state-operated commercial bank that plays a guiding role in supporting the foreign economy of the city and of the central echelon in the city, our bank has made a great effort to renovate its commercial activities, organize a broad network, and buy a much greater amount of foreign currency than the other banks. Thus, in 1990 and the first six months of 1991, we supplied more than \$60 million to satisfy the essential needs of the city and the central sectors. In view of the fact that the gap between foreign currency supply and demand is still quite large in our country, the Municipal Foreign Trade Bank has never supplied currency freely to satisfy needs. The currency activities of the banks must not result in losses. But we have never sold foreign currencies in order to earn a high rate of interest. We have determined that the main target is to support the economic and social development requirements.

In recent years, many units subordinate to the city, including the wards and districts, and the units subordinate to central sectors and other localities have borrowed foreign currency from the Municipal Foreign Trade Bank or borrowed money from abroad after we guaranteed letters of credit. But because they have suffered losses and because the value of the dollar has continued to increase, they have not been able to generate foreign currency to pay their debts, contrary to the plan when they borrowed the money, and the Municipal Foreign Trade Bank has had to sell a large amount of foreign currency in order to help them pay their overage debts and maintain their reputation in dealing with other countries.

[Reporter] Is there are better way to control foreign currency in order to improve supply for the pressing needs of the economy?

[Lo] In order to improve the foreign currency supply and demand relationship and overcome the situation in which the units that need foreign currency can't purchase currency from the banks, we feel that the only way is to have the commercial banks implement a currency trading mechanism. There are several solutions that need to be developed in a resolute and synchronized manner.

Economic solutions: The rate of exchange must be stabilized. Based on this, the banks must implement a currency trading exchange rate mechanism that follows market prices, with rates set daily at the Trade and Exchange

Service, an organization that originated from the Saigon Exchange Market when it had sufficient conditions, which we no longer have. One of the measures that will contribute to stabilizing exchange rates is that the commercial banks and the State Bank must buy most of the foreign currency and, based on that, basically satisfy the need for foreign currency to import items and pay foreign debts on time. This will be controlled very closely, unlike in the past.

Management solutions: In order to carry on foreign currency trading through the banks effectively and satisfy the economic units' needs for foreign currency in a rational way, simply implementing economic solutions is not enough. We must study and evaluate the present situation objectively and not form subjective opinions on the basis of emotion. The banks have failed to control the foreign currency because the exchange rate mechanism is too rigid and because they have not monitored the markets. Here, "market" means open-air foreign currency markets. We must find out the reasons when the exchange rate becomes irrational, deviates from common price surfaces, and becomes speculative in nature. Because of this, with respect to control solutions, in my view, the measures that I mentioned earlier must be implemented.

[Reporter] According to the Banking Law, gathering a large sum of capital for a number of units is not permitted. Many import-export units are worried that capital will become tighter. What steps is the Foreign Trade Bank taking to ensure that the foreign trade units can continue operating in conditions in which the units lack capital?

[Lo] In order to support the development of the foreign economy in general and of import-export activities in particular in 1991, the Vietnam Foreign Trade Bank advocates adhering to the principles and increasing things by only half the total credit debt in Vietnamese dong. Because the existing capital and the reserve funds cannot be increased, the only way to increase investment credits is to attract sources of deposits and borrow money both here and abroad. At the same time, credit capital velocity must be accelerated through the country's general payment of debts measures based on the guidance of the Council of Ministers.

During the past two years, the Municipal Foreign Trade Bank's credit operations in Vietnamese dong and foreign currencies have continually increased as compared with before. By 1 June 1991, the credit debts of each of the production and import-export customers who had a credit relationship with the Municipal Foreign Trade Bank was approximately 4 billion dong. But the debt limit allowed by the Banking Law of the Vietnam Foreign Trade Bank system is 11.5 billion dong. Thus, it is clear that the concern of the Municipal Foreign Trade Bank is to mobilize and attract capital both domestically and abroad in order to expand lending and increase average debt levels per customer. This definitely isn't the time to worry about restricting credit because of the restraints imposed by credit regulations based on the Banking Law.

This is without mentioning the foreign currency regulations. The governor of the Vietnam State Bank has stipulated that priority is to be given to the production and import-export spheres. Specifically, economic units that borrow capital to purchase export goods and pay for imports can ask to borrow capital from two or more credit organizations. (They are not limited to one credit organization like purely commercial production units.) In making foreign currency loans or guaranteeing foreign loans, the Foreign Trade Bank and the other banks that have been authorized to engage in foreign currency activities are continuing to adhere to the regulations. The units must ensure results and repay the loans on time. They are not bound by the Vietnamese dong credit rules as stipulated by the Banking Law.

[Reporter] Thank you, sir.

Problems To Overcome in Economic Management

912E0203A Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 25 May 91 pp 1, 2

[Article by Huynh Minh Hien]

[Text] In my view, during the years that we have carried on economic renovation in Vietnam, four important achievements have been scored. The most striking thing is that we have renovated the price and exchange rate system, which has allowed more "accurate" calculations than commercial production results, and created the conditions for linking domestic markets to other countries. Second, we have freed commodity circulation, eliminated the restrictions, reduced the price gap between the localities, formed unified zone markets, and gradually restored the central commercial and service role of the city. Third, most of the outputs and inputs of commercial production have been handled through the markets. There are no longer state subsidy inputs and state expenditure outputs. Fourth, there has been a broad uniform response to the multifaceted economic development policy, and this policy has manifested notable effects in life. An important psychological result is that the idea of relying on the state to survive has declined greatly. And the integrated economic result is that the commodity markets are richer and more lively.

However, there are still a number of things that have not been done, and there are still a number of weaknesses that need to be overcome.

First, the market mechanism is incomplete. Besides commodity materials, many other factors of production (labor, technology, capital, assets, and so on) are still being managed based on administrative boundaries, and things cannot be circulated easily in the zones or throughout the country. Many of the specific management positions and policies have not been revised in accord with the market mechanism. These still bear divisions based on locality. Places with export products do not have capital, technology, or markets, and places with these conditions have not been granted permission to export goods.

The vestiges of economic divisions by locality are still quite marked, and this is making it difficult to gather and

concentrate sources of energy to form commercial production organizations on a national scale, which is essential if we are to develop the economy.

Second, major changes are still occurring in the economy. This is manifested in the price situation. The results of the anti-inflation campaign are being eroded. Prices are rising faster than they should. Because of the effects of the poor economy, this year, the trade deficit with the Soviet Union reached 1 billion rubles. Financial leadership from the central echelon to the localities has not been promptly renovated in keeping with the market mechanism. The use of financial tools (especially taxes, credits, budget management, and so on) in order to stabilize the economy has been very passive and ineffective. The banking sector must overcome many difficulties if it is to satisfy the commercial credit requirements in the market mechanism.

Few of our new economic policies have been put into law, and we have not created the judicial setting necessary for economic activities. The work of improving the administrative procedures has been done slowly.

Based on the weaknesses mentioned above, we must focus on the need to quickly overcome the weaknesses in macrocosmic management in order to create a favorable environment for the expansion of production and business.

Third, the ineffectiveness of the state economy is a weakness that will be difficult to overcome. The fact is, there are state enterprises are suited to the new situation and that are operating effectively (most of these are industrial enterprises that have been equipped with good technology and that have good management cadres), but overall, the commercial results of the state-operated economic zone are poor.

The lesson is that we must quickly reduce and finally stop all forms of state financial aid for the state economy without ruining things and creating even greater unemployment. To date, our efforts to find a model of organization and management that will allow the state economic bases to serve as masters have achieved very little. We must continue this work and take time to examine things.

In the coming period, on one had, we must improve macrocosmic management and create a favorable environment for the commercial bases. On the other hand, we must use financial measures to force the bases to strive to achieve results. Some will overcome the difficulties and expand. Others will have to be changed using a suitable form of ownership.

Fourth, state management in general, particularly economic management, is still ineffective. In line with a market economy, there must be a strong jurisdictional state. Previously, the state apparatus was organized based on the view that the state directly regulates the economy based on centralized planning and decentralization to each locality. Now, the state must be reorganized with respect to function and organization if it is to manifest an effect in managing the market economy. We must carry out an administrative reform based on three requirements:

The state management system must be clearly separated from the production and business system, and the principle that the various economic elements are equal before the law and that they are all targets of state management must be implemented.

A legal setting must be creating. This must include a system of laws that is in accord with the level of development of the market economy and a system of strong organizations to enforce the laws.

Ineffective expenditure items of the state, party, and mass organizations must be greatly reduced in order to concentrate our financial resources on the main tasks and create the conditions for monetary reform.

Administrative reform is very difficult. This requires overcoming many obstacles posed by the force of inertia. This is also difficult because it affects the interests of certain people and because there is a lack of strong and centralized leadership.

The final question is how to overcome corruption within the state apparatus. Many people have complained that corruption has spread because people have not been dealt with resolutely, particularly those in positions of power. This is true to an extent. But it is just "treating an illness." "Treating an illness" is important, but unless the "disease" is prevented, it will continue to reappear from time to time. There are two main forms of corruption. One is theft of public and collective property, and the other is bribery of various forms. The environment that gives rise to theft is one in which there is broad public ownership, but in reality, there are no owners and there is confusion between state management and production and business management. Thus, we must build a mechanism that will enable public ownership to really have owners and build a jurisdictional state that is separate from commercial functions.

To reduce bribery, the main thing is to expand the system of civil rights. In this, the people must have the right to do anything not specifically prohibited by law. In too many matters, permission must be requested from control organizations, and that gives rise to bribery. We must establish a new method of controlling society with a strong jurisdictional state.

Governor on Renovation in Banking Activities

912E0201A Hanoi Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 21 May 91 pp 1, 2

[Interview with Cao Si Kiem, the governor of the State Bank, by Le Tien Tuyen by SAIGON GIAI PHONG reporter; place and date not given]

[Text] [editorial note] After the state formulated its commodity-market economy policy and began encouraging the development of a multifaceted economy, the role of currency and credit became very important. The resolution of the sixth congress stipulated that the banking sector must quickly make renovations in order to satisfy these requirements. Looking back at the process of improving and renovating banking activities, public opinion is that

progress has been made but that we do not yet have the key precondition for developing the country's economy. Prior to the seventh national congress of delegates, the banking sector made many preparations to contribute to the economic development line. On this occasion, a SAIGON GIAI PHONG reporter interviewed Cao Si Kiem, an alternate member of the party Central Committee and the governor of the Vietnam State Bank, on a number of issues in which readers are interested. [end editorial note]

[Reporter] With respect to the tasks put forth in the resolution of the sixth congress, what has the banking sector done and have the requirements of expanding production and commodity circulation been satisfied?

[Kiem] During the five years that we have been implementing the resolution of the sixth congress, it can be said that the banks have made renovations, done a number of significant things, and carried on economic development in the new stage. However, taking a serious look back, we can see that the banks have made real renovations only during the past three years. And it can be said that these are just "practice" renovations. The banks have done three things. Instead of having a bureaucratic centralism and state subsidies mechanism whose role and tasks were unclear, with the main idea being to allocate money for the economy, the banks have clearly defined two separate systems. They have separated the state currency and credit management system from the system of commercial banks having commercial functions. This has put us in closer contact with the world and helped us manifest the role of each type of bank. The banks have begun to apply business measures in accord with the economic policies in the new stage, such as determining rational exchange rates, balancing the sources of loan capital, and using open but tighter measures to control foreign currency, gold, and silver. Thanks to this, bank capital has increased many times as compared with before, and, through the interest rate policies, the banks have contributed to ensuring that the economic units use the capital carefully and that they calculate the economic results. Through renovating and improving the banking system, the standards of the banking cadres have continually improved, and they now have a better understanding concerning the currency business. The gap between us and the modern banking system in other countries is gradually being narrowed.

[Reporter] Sir, those advances have been very slow, isn't that correct? The general view is that the banks still have many weaknesses, that the banking laws still contain many points that are not in accord with reality, and that things have been developed slowly.

[Kiem] We realize that major problems have been brought to light during the renovation process. These include the fact that the laws and control mechanism have not been synchronized or perfected, and they are not in accord with reality. The management and currency business standards and capabilities of the banking cadres have not kept pace with the renovation requirements, and some of the cadres have become degraded, which has resulted in losses of state

personnel and capital. The conditions necessary for commercial banking are still inadequate, especially in the sphere of information and computing technology.

In order to overcome these shortcomings and gradually put the banking sector in a position where it can exert a direct effect on the economy, we have reviewed the practices and lessons of other countries and basically completed making contributions to the draft program of the seventh congress concerning a number of major points. For example:

We have clearly defined our viewpoints and ideas on currency and credit policies, such as capital and credit policies, the control of domestic and foreign currencies, the determination of exchange rates, and so on in accord with a market economy having macrocosmic management. We have stabilized banking organization nationwide using state-operated, share-holding, commercial, and development banks. We are studying currency organizations outside the state sector in order to reorganize things in accord with the laws. Those organizations with sufficient conditions will be issued permits to operate in accord with the regulations. We are also studying banking models in the rural areas. The training element has been reorganized. These are the major tasks that we are focusing on between now and the seventh congress. Those who think that the banking sector has been slow to develop laws and that the laws have many loopholes are correct. The laws provide the general direction in which the banks must move. In implementing the laws, there must be suitable steps. The banks have also formulated a system of regulations besides the two laws. These consist of 10 documents under the law and 40 control mechanisms and rules. Today, the banks are training their cadres to implement these things. It can be said that the laws have been slow to develop because of the many necessary steps. But these will put currency-credit operations in the proper orbit and strengthen the control role of the state.

[Reporter] Renovating the currency-credit policies cannot be separated from renovating the national financial policy. What will you contribute at the seventh congress?

[Kiem] The state has decided that the economy is the main battleground today. Because of this, finance and banking must be renovated in an all-round and profound way. The other sectors must also be changed if we are to generate energy. Specifically, the banking sector will propose a number of points to the party. We must concentrate on the strategic problem, which is capital. There must be sufficient capital to transform the economy. Capital must be formed from both domestic and foreign sources. Little capital has been mobilized domestically. To mobilize foreign capital, we must expand relations with other countries through government loans, strive to obtain humanitarian aid, and engage in joint ventures with foreign banks through the credit and investment system. We need medium- and long-term capital so that the production and business units can exploit the labor, equipment, and raw materials. We must find capital for the units. But if those units are to survive, they must provide at least half of their own capital. Another problem that must be solved as soon

as possible is that the debt situation is holding back the economy. If we can basically solve this problem and we have a mechanism to prevent this situation from arising, we will have large amounts of capital for the economy. Satisfying the needs for cash and circulation to control the economy nationwide is a major task. This must be improved and regulated so that production and circulation are clearer.

[Reporter] Today's interest rate policy contains many conflicts. Depositors say that the policy does not encourage them to save (because rates are lower than the inflation rate), producers and businessmen say that it is too high (exceeding the combined interest rate, with the result that they can't pay their loans), and bankers say that money must be borrowed at high rates but that money is loaned out at low rates of interest and that if the banks are not compensated, they will go bankrupt. How will this problem be solved?

[Kiem] This is a major problem that will be difficult to solve immediately. With today's interest rates, both the people and the state will suffer losses. The people will lose, because effective interest rates are not in accord with the plan, which is to have an interest rate composed of a basic rate to which is added the rate of inflation. The state will lose, because it must borrow money at a high rate of interest but loan out money at a lower rate (today, the state banks can no longer make loans at favorable rates of interest). Loan rates are lower than interest rates on deposits, but the economic units still can't manage. Thus, we must temporarily accept this irrational situation. If changes are made, that would immediately bring the entire economy to a halt. I think that that would topple the banks. We are studying the possibility of handling this as follows: We will study using interest rates that are in accord with the stipulations of the law: loan interests rates will be higher than rates for deposits, and rates must be in accord with the rate of inflation. This can be implemented if prices are stable and the units are allotted capital or they adjust the existing relatively high capital. Immediately, we will concentrate on applying these measures with profitable units that can recover the capital. In places that lack capital but where investments can yield high returns and labor productivity has increased, satisfactory interest rates can be used. We have made loans to peasants in the Mekong Delta (3.7 billion to people in An Giang) and loaned Kien Giang money to plant 5,000 hectares of rice, planting two crops instead of one. We have loaned money to Cambodians to engage in intensive cultivation and expand the rearing of livestock and poultry. In these places, the interest rates on the loans are higher than rates for deposits, but the peasants have accepted this. If the economic units set examples and they manifest results on a broader sphere, interest rate policies will be adjusted accordingly.

SOCIAL

Articles on Subversive Influences From Abroad

Increased Ideological Work Needed

912E0200A Hanoi QUAN DOI NHAN DAN
in Vietnamese 3 May 91 p 2

[Article by Duong Thong]

[Text] Ever since the socialist countries became involved in an all-round and very serious crisis, the American

imperialists and the enemy forces have regarded Vietnam as one of the focal points of attack. They have quickly implemented their plot of "peaceful change" using many insidious stratagems. In this, they have given particular attention to destroying us ideologically.

The main thing that they have exploited is the crisis of the socialist countries in order to attack and sow doubts about socialism. Their means of information have focused on destroying the confidence of the people in the socialist path, inciting the people to oppose the communist party and to help the opposition and enemy oppose socialism, and getting the people to follow the path of the "free world."

The enemy forces and reactionaries among the Vietnamese who are living abroad and who are being guided and aided by the imperialists have published hundreds of papers with such names as THONG LUAN [Theory], DOAN KET [Solidarity], KHANG CHIEN [Resistance], TIENG NOI TU DO [The Voice of Freedom], and so on, and they have broadcast many distortions on Vietnamese-language radio stations attacking the Communist Party of Vietnam and falsely accusing us of violating people's human rights and oppressing artists, writers, and intellectuals. They have incited people to hold extremist views, and "allocated money" under the guise of "renovation." They have openly urged people to topple the state and abandon the socialist path. By such operations as "turning the flames homeward" and "turning the wind into a typhoon," they have spread many reactionary documents in our country. They have used the divisions among the Vietnamese living abroad and involved a number of people who don't really understand our domestic situation in order to form groups, write letters, and send "suggestions" home, suggestions that are contrary to our lines and policies. Some of the students studying abroad and some of the people engaged in cooperative labor abroad have been affected by the above viewpoints and participated in activities in accord with the views of the imperialists and reactionaries. A number of foreign and overseas Vietnamese reporters who have come here temporarily have spread propaganda about pluralism, a multiparty system, bourgeois democracy, and the Western way of life.

In recent years, especially since the sixth congress, our party has criticized its mistakes and shortcomings and put forth policies to broaden democracy and renovate every aspect of social life. All strata of people have supported this. The great majority of people have elevated their spirit of responsibility, manifested their intelligence, and contributed many ideas to overcome the difficulties and to get our country out of its present socioeconomic crisis and stabilize and develop the country. Along with those who have given correct ideas and made constructive contributions, there have also been many disgruntled people, opportunists, and people who have been tried for having erroneous views who have joined together or who have even joined forces with the enemy forces and reactionaries in order to carry on resistance activities. They have made use of our broader democracy to propagandize their views

about political pluralism and bourgeois freedom, encouraged antisocialist activities, rejected history and the results of our revolution, and demanded that the political system be changed and that the party's leadership be toppled.

As we approach the seventh party congress, the enemy forces and reactionaries outside are stepping up their attacks on us. They have been spreading many psychological warfare documents and many degenerate cultural materials in our country. They have worked with the evil elements inside the country to gather together and smuggle out reactionary documents prepared by bad elements inside the country and articles and materials contributing ideas to the documents of the seventh congress in order to exploit the different ideas. They have even twisted and distorted things in order to affect us internally and generate internal pressures.

Domestically, some targets have joined hands with the outside enemy and reactionary forces by gathering together and smuggling out materials such as those mentioned above or by printing reactionary materials outside the country and smuggling them into the country. They have printed materials advocating individualistic and erroneous viewpoints in order to spread propaganda among our cadres and people. Recently, on 14 April 1991, an investigation agency arrested Duong Thu Huong on charges of compiling and smuggling out materials harmful to national security. That is just one example. There are others who are planning to send materials to party organization representatives in order to influence their thinking.

As a result of this situation, the ideological front is undergoing great ferment.

Our country's renovation movement has achieved very important initial achievements and confirmed that our path is correct. The socioeconomic situation is stabilizing and improving, but the country still faces many difficulties and challenges. The hope of the entire party, the entire military, and all the people is to continue the renovation movement in order to move the country forward. Our present tasks demand that we increase our socialist awareness and elevate our spirit of revolutionary vigilance and combat will power, maintain national security, defend the fruits of the revolution, maintain political stability, and create favorable conditions for stimulating renovation. One of the pressing measures is to strengthen ideological work.

Through the mass information organizations, political activity campaigns, and debates, the erroneous viewpoints and arguments of the enemy regarding socialism must be strongly criticized, and the confidence of the cadres, party members, and people must be solidified.

The organizations responsible must tightly control the press materials, cultural materials, and publications coming into the country from abroad in order to ensure that such materials don't have a bad effect on the masses. Those who work hand-in-hand with the enemy and reactionary forces abroad must be dealt with resolutely.

A particularly important point today is that each cadre, party member, warrior, and citizen must elevate his or her concept of vigilance, not read or spread evil materials, actively struggle against the arguments of the reactionaries and opportunists, and negate those viewpoints that are contrary to our party's socialist guidelines.

Increase Vigilance Against Enemy

912E0200A Hanoi QUAN DOI NHAN DAN in Vietnamese
17 May 91 p 2

Article by Nguyen Phuong

[Text] As of June 1990, the total number of Vietnamese living in Eastern Europe was 211,959. Most, 81.8 percent, are cooperative laborers. There are also 30,000 Vietnamese students studying abroad, and about 8,000 overseas Vietnamese.

In the past period, exiled reactionaries have launched such operations as "turn the flames homeward," "turn the wind into a typhoon," and "send information home"; plans such as "across the waves," "octopus," and "commerce with Vietnam in 1990"; and plots to change things peacefully, change the form of socialism in Vietnam, and eliminate the leadership role of the Communist Party of Vietnam and eliminate socialism in Vietnam. As part of these plots, Vietnamese citizens living abroad have become leading targets of the exiled reactionaries. Their objective is to poison our citizens by advocating pragmatism and spreading the idea of pluralism and multiparties and coordinating "freedom," "democracy," and "human rights" attacks in order to "spread the fire," "turn the winds into a typhoon," and circulate erroneous "information."

Above all, from the West, they are "transmitting information" to Eastern Europe by relying on the help of capitalist imperialist intelligence agencies. They are bringing in large numbers of books, tapes, and recordings with reactionary and degenerate contents, including such books and newspapers as QUE ME, LANG VAN, KHANG CHIEN, THONG LUAN, HON VIET, and distributing these in the Vietnamese community. Recently, a number of reactionary organizations and individuals went to Eastern Europe ostensibly to visit relatives, to travel, or to attend conferences. They actively met with Vietnamese living there in order to spread propaganda, draw them in, and bribe them. Their objective is to get the Vietnamese living abroad to demand "democratic freedoms" and pluralism in Vietnam and to eliminate the party's leadership role and annihilate socialism in Vietnam. Vo Van Ai (his pen name in QUE ME), Huynh Hung, and Pham Ngoc Lan, who belong to a group (Thong Luan) in France, and Hoang Co Long, Nguyen Ngoc Dich, and Doan Van, who belong to the "Institute for Democracy for Vietnam" in the United States have visited a number of countries in Eastern Europe for the purposes mentioned above. A number of reporters for the BBC have organized "interviews" in order to quote the disgruntled elements among the Vietnamese living abroad and distort the situation in our country as well as the lives of the Vietnamese living in Eastern Europe.

Since the beginning of 1990, a number of exiled reactionaries living in the United States and the West have organized so-called "debates" and "conferences" in order to spread propaganda, assemble forces, and implement plots to use Vietnamese to condemn the communist system in Vietnam. They say that when the words of the Vietnamese living in Eastern Europe reach Vietnam, they will have a much greater effect than the words of foreigners or overseas Vietnamese.

In the face of this enemy propaganda and these attacks by the enemy, during the past year, a small percentage of the Vietnamese living in Eastern Europe has displayed negative ideological tendencies and engaged in negative activities. For example, they have shown signs of wavering ideologically. They have not been vigilant and have supported the arguments of the enemy. They have made statements opposing our system and criticized the CPV [Communist Party of Vietnam].

The decline in their way of life and morals has led to ideological deviations and to violations of our laws and those of other countries. The situation in which students and cooperative laborers living abroad disregard the control rules of the embassy and ministries in charge is fairly widespread. What is even more serious is that in some places, a number of disgruntled elements have organized meetings and debates and issued so-called newspapers and magazines in order to disseminate distorted viewpoints contrary to the the party's lines and policies. A typical example is DIEM TIN BAO CHI published by a group of students at the electrical machinery school in Plzen, Czechoslovakia. They have published more than 10 issues. The contents of the articles and reports contain many points that are contrary to our viewpoints. They cite bad examples concerning the situation in fraternal countries, distort the situation in our country, distort the truth about the renovation movement in Vietnam, attack the leadership of the party, demand pluralism and a multi-party system, and call for the "soft" revolution in Eastern Europe to be carried to Vietnam. A number of evil elements in Czechoslovakia and Germany have organized debates to spread negative ideas among the students and cooperative laborers. They have mentioned the topics "The Changes in Eastern Europe and Thoughts on Reform in Vietnam" and "Vietnam and Renovation Today."

The problems mentioned above are just one element in the plots of the imperialists and reactionaries that we are seen. They have also used many other very clever stratagems to get Vietnamese citizens living abroad to oppose the interest of their fatherland. However, those stratagems have not have much of an effect in the Vietnamese community. After realizing their mistakes, many students have denounced the evil elements, boycotted their debates, and harshly criticized the publication of enemy information.

The reason why we have been able to discover and limit the influence of the enemy forces and reactionaries on Vietnamese citizens living abroad is that the ministries, departments, and sectors concerned and our organizations

abroad have coordinated things closely. The Ministry of Interior has guided things closely in adhering to the situation, and, together with the Ministry of Foreign Affairs, the Ministry of Education, the Ministry of Labor, War Invalids, and Social Affairs, the Party Affairs Committee, and the Youth Union Central Committee, it has strengthened control measures, protected our citizens, concentrated on solving a number of complex problems, and limited to a minimum the effects of the plots of the enemy forces and antisocialist reactionaries with respect to Vietnamese living abroad.

The above situation is worrisome to all of us, particularly the organizations and the families that have cadres and children studying and working in Eastern Europe. Protecting Vietnamese citizens living abroad is the responsibility of the entire party and all the people. Above all, that is the task of the functional organizations, mass organizations, and families with members living abroad. We cannot abandon our children or remain idle in the face of the ideological attacks being launched by the enemy on their thinking and emotions.

BIOGRAPHIC

Information on Personalities

91P30164A

[Editorial Report] The following information on Vietnamese personalities has been extracted from Vietnamese language sources published in Hanoi, unless otherwise indicated. An asterisk indicates that this is the first known press reference to this individual functioning in this capacity.

Nguyen Ngoc An [NGUYEENX NGOCJ AANR]

Permanent member of the Ho Chi Minh City CPV [Communist Party of Vietnam] Committee; chairman of the city's CPV Economic Department; his name was on the list of the city's CPV delegates selected to attend the Seventh National Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 8 May 91 p 2)

Lu Minh Chau [LUWX MINH CHAAU]

Member of the CPV Central Committee; vice chairman of the State Commission for Cooperation and Investment; his name was on the list of Ho Chi Minh City CPV delegates selected to attend the Seventh National Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 8 May 91 p 2)

Pham Van Binh [PHAMJ VAWN BINHS]

Alternate member of the CPV Central Committee; deputy director of Electric Power Company 2; his name was on the list of Ho Chi Minh City's CPV delegates selected to attend the Seventh National Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 8 May 91 p 2)

Le Khac Binh [LEE KHAWCS BINHF]

*Member of the Ho Chi Minh City CPV Standing Committee; chairman of the city's People's Council; his name was on the list of the city's CPV delegates selected to attend the Seventh National Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 8 May 91 p 2)

Ha Quang Du [HAF QUANG ZUWJ]

First secretary of the Central Committee of the Ho Chi Minh Communist Youth Union; his article on his organization was published in the cited source. (TAP CHI CONG SAN Mar 91 p 5)

Pham Quang Du [PHAMJ QUANG ZUWJ], PhD, Professor

*Director of the Petrochemical Refinery Sub-Institute; his name was on the list of Ho Chi Minh City's CPV delegates selected to attend the Seventh National Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 8 May 91 p 1)

Nguyen Minh Dat [NGUYEENX MINH DATJ]

Deputy secretary of the CPV Committee, Hanoi Municipality; on 26 May 91 he accompanied Hanoi CPV Secretary Pham The Duyet on his visit to Dan Phuong District. (HANOI MOI 27 May 81 p 1)

Vo Dong Giang [VOX DOONG GIANG]

Minister, vice chairman of the State Commission for Cooperation and Investment; he was mentioned in an article on the international investment forum held in Ho Chi Minh City from 11 to 15 Mar 91. (Ho Chi Minh City SAIGON GIAI PHONG 18 Mar 91 p 2)

Vu Ngoc Hai [VUX NGOCJ HAIR]

Minister of energy; on 30 May 91 he was present at a signing ceremony on SRV-Sweden cooperation in improving the electricity network in Vietnam. (HANOI MOI 31 May 91 p 1)

Dang Vu Hiep [DAWNGJ VUX HIEEPJ], Colonel General

Deputy director of the Political General Department; from 2 to 21 May 91 he made an inspection tour at the Vung Tau - Con Dao special Zone. (NHAN DAN 24 May 91 p 1)

Truong My Hoa [TRUWOWNG MYX HOA]

Member of the CPV Central Committee; *vice president of the Vietnam's Women's Union; her name was on the list of Ho Chi Minh City CPV delegates selected to attend the Seventh National Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 8 May 91 p 2)

Ly Hoa [LYS HOAF]

*CPV secretary of the Ministry of Education and Training Party Organization; his name was on the list of Ho Chi Minh City CPV delegates selected to attend the Seventh

National Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 8 May 91 p 1)

Doan Le Huong [DOANF LEE HUWOWNG]

*President of the Ho Chi Minh City Women's Union; her name was on the list of the city's CPV delegates selected to attend the Seventh National Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 8 May 91 p 2)

Hoang Thi Khanh [HOANGS THIJ KHANHS]

*Member of the Ho Chi Minh City CPV Committee; president of the city's Labor Union; her name was on the list of the city's CPV delegates selected to attend the Seventh National Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 8 May 91 p 2)

Nguyen Huu Khuong [NGUYEENX HUWUX KHUWOWNG]

Member of the Ho Chi Minh City CPV Committee; acting director of the city's Public Security Service; his name was on the list of the city's CPV delegates selected to attend the Seventh National Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 8 May 91 p 2)

Vo Van Kiet [VOX VAWN KIETJ]

Member of the CPV Politburo; first vice chairman of the Council of Ministers; his name was on the list of Ho Chi Minh City CPV delegates selected to attend the Seventh National Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 8 May 91 p 2)

Dang Xuan Ky [DAWNGJ XUAAN KYF]

Director of the Vietnam Social Sciences Institute; Director of the Marx-Lenin Institute; on 15 May he attended a conference marking the 50th founding anniversary of the Viet Minh Front. (Ho Chi Minh City SAIGON GIAI PHONG 18 May 91 p 1)

Vo Nhu Lan [VOX NHUW LANH]

*Editor in chief of the weekly newspaper KINH TE SAIGON; his name was on the masthead of the cited source. (Ho Chi Minh City KINH TE SAIGON 6-12 Jun 91 p 2)

Le Liem [LEE LIEEM]

*Vice minister of energy; on 30 May he was present at a signing ceremony on SRV-Sweden cooperation in improving the electricity network in Vietnam. (HANOI MOI 31 May 91 p 1)

Vuong Huu Nhon [VUWOWNG HUWUX NHOWN]

Vice chairman of the Ho Chi Minh City CPV Committee; his name was on the list of the city's CPV delegates selected to attend the Seventh National Party Congress. (Ho Chi Minh City's SAIGON GIAI PHONG 8 May 91 p 2)

Tran Hong Quan [TRAANF HOONF QUAAN]

Alternate member of the CPV Central Committee; minister of education and training; his name was on the list of Ho Chi Minh City CPV delegates selected to attend the Seventh National Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 8 May 91 p 2)

Truong Tan Sang [TRUWOWNG TAANS SANG]

Member of the Ho Chi Minh City CPV Standing Committee; director of the Municipal Agricultural Service; his name was on the list of the city's CPV delegates selected to attend the Seventh National Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 8 May 91 p 2)

Nguyen Quang Tao [NGUYEENX QUANG TAOJ]

Deputy director of the External Relations Department of the CPV Central Committee; on 29 May 91 he attended a memorial service for former Premier Rajiv Gandhi in Hanoi. (HANOI MOI 30 May 91 p 4)

Duong Dinh Thao [ZUWOWNG DINHF THAOR]

Member of the Ho Chi Minh City CPV Standing Committee; chairman of the city's CPV Propaganda and Training Committee; his name was on the list of the city's CPV delegates selected to attend the Seventh National Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 8 May 91 p 2)

**Nguyen Van Thu [NGUYEENX VAWN THU] aka
Nguyen Thu**

Vice minister of construction; *vice chairman of the Vietnam-Algeria Friendship Association; on 28 May 91 he attended the inauguration ceremony for the Vietnam-Algeria Friendship Association in Vietnam. (HANOI MOI 29 May 91 p 1)

Ca Le Thuan [CA LEE THUAANF]

Member of the Ho Chi Minh City CPV Committee; deputy director of the Central Culture and Ideology Department;

*director of the Municipal Arts and Culture Department; his name was on the list of the city's CPV delegates selected to attend the Seventh National Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 8 May 91 p 2)

**Tran Van Tra [TRAANF VAWN TRAF], Colonel
General**

Retired cadre; chairman of the Ho Chi Minh City Veterans Association; his name was on the list of the city's CPV cadres selected to attend the Seventh National Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 8 May 91 p 2)

**Hoang Anh Tuan [HOANGF ANH TUAANS],
Professor**

Chairman of the Ho Chi Minh City Science and Technology Committee; his name was on the list of the city's CPV delegates selected to attend the Seventh National Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 8 May 91 p 2)

Nguyen Rang [NGUYEENX RAWNG], Major General

Member of the Ho Chi Minh City CPV Standing Committee; commander of the city's Military Command; his name was on the list of the city's CPV delegates selected to attend the Seventh National Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 8 May 91 p 2)

Le Van Xuan [LEE VAWN XUAAN], *Admiral

Deputy political commander of the Navy; from 2 to 21 May 91 he accompanied Colonel General Dang Vu Hiep on his visit to Vung Tau-Con Dao Special Zone. (NHAN DAN 24 May 91 p 1)

Pham Chanh Truc [PHAMJ CHANHS TRUWCJ]

*Publisher of the weekly newspaper KINH TE SAIGON; vice chairman of the Ho Chi Minh City's People's Committee; his name was on the masthead of the cited source. (Ho Chi Minh City KINH TE SAIGON 6-12 Jun 91 p 3)